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ABSTRACT

This volume presents the letters forwarded to the Secretary of Labor and to the Secretary of Health, Education, and Welfare which summarized the findings and recommendations of the National Manpower Advisory Committee (NMAC) at 32 meetings between September 1962 and December 1971. As March 15, 1972 marked the 10th anniversary of the passage of the Manpower Development and Training Act of 1962 (MDTA), the NMAC proposed that these letters be published to provide an intimate view of the evolution of Federal manpower policy and programing. The Secretary of Labor concurred with this recommendation to give maximum access to public records. Appendixes include supplementary documents and additional data about the structure and functioning of the NMAC. Eli Ginsberg, the chairman of the NMAC and the drafter of the letters, has written an introduction which reviews the advice given during the first decade of manpower programs under the MDTA, identifies the principal themes which have preoccupied the Committee, and adds selected judgments informed by the perspective of time about the appropriateness and effectiveness of the advice which the Committee proffered. (Author/MF)

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MANPOWER ADVICE FOR GOVERNMENT

National Manpower Advisory Committee Report

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MANPOWER ADVICE FOR GOVERNMENT

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National Manpower Advisory Committee
Letters to the
Secretaries of Labor
and of Health, Education, and Welfare
1962-1971

U.S. DEPARTMENT OF LABOR,
J. D. Hodgson, Secretary
Manpower Administration
1972

PREFACE

This volume presents the letters forwarded to the Secretary of Labor and the Secretary of Health, Education, and Welfare which summarized the findings and recommendations of the National Manpower Advisory Committee (NMAC) at 32 meetings between September 1962 and December 1971.

Since March 15, 1972 will mark the 10th anniversary of the passage of the Manpower Development and Training Act of 1962 (MDTA), the NMAC proposed that these letters be published and thus provide the interested citizen with an intimate view of the evolution of Federal manpower policy and programing. The Secretary of Labor concurred with this recommendation to provide maximum access to public records.

The letters are reproduced without addition or deletion. An index has been prepared by Ruth Szold Ginzberg to facilitate ready reference. (Index references are to the letter number which appears in the upper right hand corner on the first page of each letter.) Several appendixes include supplementary documents and provide additional data about the structure and functioning of the NMAC.

As the first and only chairman of the NMAC, and as drafter of the letters, I have written an introduction which reviews the advice given during the first decade of manpower programs under the MDTA. In this introduction, I have both identified the principal themes which have preoccupied the Committee and added selected judgments informed by the perspective of time about the appropriateness and effectiveness of the advice which the Committee proffered. However, the reader is invited to reach an independent judgment. That is the reason for making these letters public.

January 3, 1972

Eli Ginzberg, Chairman
National Manpower Advisory Committee

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I. A DECADE OF ADVICE-GIVING REVIEWED

Section 205 of Public Law 87-415, known as the Manpower Development and Training Act of 1962, as amended, provides for the appointment of a national advisory committee to assist the Secretary of Labor in the administration of the act. During the past 10 years, that is, from its first meeting on September 27-28, 1962, to its meeting on December 10, 1971, the National Manpower Advisory Committee has held 32 meetings. Its work has been informed by the reports and recommendations which it has received from its several subcommittees and by the inputs from the regional manpower advisory committees which under the law are associated bodies of the National Committee. At the end of 1971, this supporting structure consisted of three subcommittees, one on training; one on research, development, and evaluation; and one on professional, scientific, and technical manpower, and 10 regional advisory committees whose chairmen meet regularly with and participate fully in the work of the NMAC. In 1971, for instance, the National Committee, its subcommittees, and its associated regional committees held 30 meetings.

Since the inception of the NMAC, after every meeting, its Chairman has forwarded to the Secretary of Labor and to the Secretary of Health, Education, and Welfare (who by administrative arrangement has looked to the NMAC to advise him with respect to his responsibilities under the act) a letter which summarized the Committee's findings and recommendations.

The 10th anniversary of the passage of the Manpower Development and Training Act, the cornerstone of Federal manpower legislation, on March 15, 1972, provides the stimulus for reviewing and appraising the last decade as well as for seeking new directions for the decade that lies ahead. The contemporary record of the evolution of Federal manpower policy and programing, as encapsulated in the letters of the NMAC to the Secretaries of Labor and HEW, invites such a review and appraisal. The letters do not provide a comprehensive record of the period since they reflect the work of a group of advisors, not administrators with primary responsibility for shaping and implementing the new programs. But the letters do reflect the primary concerns of the senior governmental personnel at various stages in the evolution of the program as well as the considered judgments and responses of an informed and concerned advisory group.

The principal objective of this introductory essay is to point out some of the pathways through these pages of findings and recommendations. It will seek to distinguish four aspects of the advice-giving process as illuminated by later events:

- –Where the NMAC provided the Secretary of Labor with sound advice which he followed.
- –Where the NMAC made sound recommendations which the Secretary was unable or unwilling to follow.
- –Where the NMAC's advice was wrong but the Secretary accepted it.
- –Where the NMAC's faulty advice was not acted on by the Secretary.

While there might be ground for disagreement among informed persons about how to classify any particular piece of advice which the NMAC offered the Secretary, the passage of time helps to provide perspective and objectivity. Moreover, the importance of the matrix lies less with the correct classification of specific recommendations than with its use as an analytical device to illuminate the advice-giving, advice-receiving process.

The First Meeting: An Illustration of Advice-Giving

The difficulties entailed in advice-giving is well illustrated by the events following the identification of the potential beneficiaries of the act made by President John F. Kennedy at the first meeting of the newly appointed Committee. He singled out poorly prepared youth, unemployed middle-aged persons with limited skills, and skilled workers who lost their jobs because of technological developments. As it turned out, more than 35 percent of MDTA trainees have been persons under the age of 22, but middle-aged persons who need retraining to be reemployed have been few, and the skilled workers victimized by automation failed to materialize.

Prior to the 1963 amendments to MDTA, the NMAC had the responsibility for encouraging the formation of State manpower advisory committees. Accordingly, at its first meeting, it passed a resolution to this effect which it requested the Secretary of Labor to transmit to the Governors for action. While most States complied, a minority did not. Nevertheless, these few States received Federal monies even though they were in violation of the law. The NMAC was disturbed by this, repeatedly urged action by the Secretary to secure compliance, and in April 1965 recommended that the Secretary consider the use of financial sanctions to obtain compliance by the recalcitrant States. The Secretary intensified his efforts to insure compliance by persuasion, but he stopped short of acting on the NMAC's draconian advice

of cutting off funds. After 1965 the issue disappeared, presumably because all the States had complied with the letter of the law although many State committees did not fully meet the intent of the law with regard to membership and functioning.

The NMAC stressed the importance of the Department of Labor's monitoring the allocation of funds by the several States to assure that there was no discrimination against minority groups. Despite the difficulties in designing and making operational a comprehensive data management system, the Department of Labor has watched the issue of discrimination from the start of the program and its careful monitoring unquestionably has contributed to the more than proportionate amounts spent to assist minority groups.

The NMAC was less successful with its recommendation that the Department of Labor make special efforts to insure the participation of rural persons in manpower programs. Although the NMAC noted repeatedly the limited participation of rural persons, the Department of Labor continued to focus its efforts on urban centers, particularly the ghettos. In retrospect, it appears that the NMAC failed to specify how the multiple hurdles blocking the fuller participation of rural people could be overcome. For instance, it failed to recommend the diversion of funds from the ghettos to the countryside, or to make specific recommendations about how additional training monies could be productively spent in rural areas.

The NMAC suggested that the Department of Labor explore the use of social security records to assess the value of training in terms of the employment and earnings of people after they had gone through the training programs. Although the NMAC recommended from time to time that the Department of Labor invest more effort in evaluating the burgeoning training programs, it did not press the issue even when it realized that the evaluation effort was lagging. The NMAC was caught in the same dilemma that plagued the Department of Labor. Until the data system could provide basic facts about the postprogram experiences of trainees with respect to employment, occupation, and income—and adequate data were not available—all efforts at broad-scale evaluation were likely to be abortive. Gradually, the Department has improved and expanded the data on the outcomes of training (including the use of social security records) to provide a sounder base for the evaluation of training programs.

Since the Department of Labor had the authority to finance manpower research under title I of the act, the NMAC suggested two subjects worthy of study: the concepts used in measuring unemployment in the context of learning more about jobless persons not in the labor force, and the influence of wage rates on labor force participation. The Committee elaborated its views on unemployment measures at its fifth meeting in March 1964 (see appendix, p. 151), and in 1967 the Department of Labor presented an innovative approach in the form of a "sub-employment rate." The Department of Labor has done much additional work attempting to measure the full extent of underemployment, particularly among persons outside the labor force. Although the Department has made substantial progress, more work is still needed on the definition and measurement of underemployment, on which so much decisionmaking hinges.

The final suggestion of the NMAC at its initial meeting was to offer to serve as expositor and interpreter of the new training programs to interested groups. From time to time, this offer was renewed but never accepted. Not until 1967 did the Administration seek the active involvement of the business community, and then the President and the Secretary took the lead.

Major Themes

Time and again a limited number of questions made their way onto the agenda of the NMAC: Who should have preferred access to training? How should people be trained? What were the best ways to finance the training programs? How should the Federal Government, which was putting up most of the funds, relate to the State and local governments which were responsible for planning and operating most of the programs?

Eligible Groups

At its third meeting (May 1963), the NMAC realized that it would not be possible for the Department of Labor to provide training opportunities for all potential claimant groups and it therefore recommended that preference be given to heads of households with 3 or more years of experience in the labor force. Three years later, at its 10th meeting (January 1966), the NMAC approved the shift in MDTA which placed more stress on the needs of the hard-to-employ, but added the caveat that the Department of Labor must keep a close watch on the changing economic situation and, when necessary, make further adjustments in its programs in response to changes in the demand for and supply of different types of workers. At its next meeting (March 1966), NMAC advocated more short-term

on-the-job training courses to relieve manpower shortages. It also proposed that the Department of Labor seek an opinion from its Solicitor on whether it could train more youth by excluding from the legislative ceiling on the number of young trainees those who were entitled to the higher adult training allowances.

After several years of recommending increased governmental efforts to train the hard-to-employ, the NMAC raised two warnings. At its 18th meeting in December 1967, it pointed out that it would be difficult to elicit the support of private industry in hiring the hard-core unemployed; and in its comprehensive review of Federal manpower programs at its next meeting (March 1968) it pointed out that even liberal Federal subsidies might not prove successful because the most seriously disadvantaged could not be fitted into the private sector and might be able to work only under sheltered conditions. This change in attitude on the part of the NMAC toward the Department of Labor's focus on the hard-core reflected its efforts to take account of new evidence that was accumulating.

The NMAC took note of the needs of the older worker at its 15th meeting in March 1967. Although it noted that the problem of the older worker should be placed on its agenda as soon as new information became available or new programing became imminent, the Department of Labor failed to push the matter and the NMAC likewise failed to take initiative. The older worker got lost in the struggle for visibility.

On the other hand, the NMAC considered the training needs of scientific and engineering manpower not once but repeatedly after 1965. At its eighth meeting in June 1965, it recommended that major defense and defense-related contractors include in their prime contracts a sum for the continuing education of the professional staff as a measure of preventing obsolescence. However, the NMAC opposed using MDTA monies to pay for these or related efforts as long as the labor market remained strong.

In June 1970, at its 26th meeting, the NMAC recommended that in a recession such as was then under way, manpower training funds be used to assist in the retraining of skilled and professional workers who were unlikely to be reemployed in their industry, such as aerospace personnel who have become redundant in such locations as Cape Kennedy, Southern California, and the Northwest. The NMAC returned to this theme at its meeting in October 1970 and suggested how the Department of Labor could make a constructive contribution to this new and difficult problem of structural unemployment of scientific and engineering manpower.

In its 13th meeting in September 1966 the NMAC noted the importance of the Department of Labor's broadening its concern with disadvantaged minorities to include the Mexican Americans in the Southwest and the West and large numbers of poorly educated whites with low incomes. But not until 4 years later, at its 27th meeting in October 1970, did the NMAC consider the special problems of the Spanish-speaking minorities.

The Spanish-speaking, like older workers, Indians, migrants, and rural low-income whites, were handicapped in their struggle for attention and funds in a decade during which the Nation was preoccupied with attempting to solve the problems of black minorities in urban centers. And even the steadily increasing Congressional appropriations could help only a small part of the black population; they certainly could not meet the needs of all disadvantaged people.

Financing

The NMAC directed its attention periodically to problems connected with raising and disbursing funds required for manpower training programs. At its fourth meeting, in December 1963, it volunteered to encourage State legislatures to pick up their one-third share of the costs, a proportion that was to have been mandated in fiscal year 1966; it returned to this theme as the critical date came closer. But Congress, pleased with the progress that was being made, approved the Administration's proposal to amend the MDTA in 1965 by relieving the States of covering more than 10 percent of the training costs which could take the form of a contribution in kind (facilities and materials for training) thereby putting this issue at rest. Only in the Work Incentive (WIN) program, in which the 20 percent contribution is being cut to 10 percent on July 1, 1972, did financial support from the States thenceforth play a role in the effectiveness of the manpower programing.

The interest of the NMAC in seeing a more rapid expansion of OJT programs, expressed for the first time in its fourth meeting, reflected its awareness that the cost of such programs was usually one-third to one-half the cost of institutional training, while the trainee's prospect of securing post-training employment was considerably greater.

At its eighth meeting, in June 1965, the NMAC took its only formal vote when it recommended, by a majority of one, that since the minimum wage was established at $1.25 per hour, the Department of Labor approve no training programs for jobs which paid less than $1. The dissenting minority regarded this as a

stopgap measure, since it favored a minimum wage equal to the Federal minimum wage.

The recurring matter with respect to financing which occupied the Committee was the question of tax incentives. Its initial reaction, at its ninth meeting in October 1965, was negative but it asked its Subcommittee on Training to review the matter in depth. At its next meeting (January 1966), the Committee considered a specific request to review its position, which it did, but it again opposed the proposition on the grounds that it would involve the Federal Government in evaluating proposed programs and in policing them and consequently would not reduce the extent to which it was currently involved as a result of the contractual route.

As a result of the recommendation of the National Advisory Commission on Civil Disorders, the NMAC reconsidered its position on this question at its 19th meeting (March 1968) and came out even more strongly in opposition to tax credits, specifying at that time its concern that many employers would be able to claim large credits without having made a commensurate contribution by training and employing the hard-to-employ.

Because of the Committee's knowledge that the new Administration desired fully to explore the potentiality of tax credits, at its 24th meeting (June 1969) it approved a recommendation of its Subcommittee on Training that a pilot study be undertaken. It was not informed about the specific outcome of this study, which ultimately led to a decision against a pilot test of tax incentives.

The NMAC sought to persuade the Administration and the Congress to establish a year's lead time in the financing of training programs to assure better planning, greater stability of staff, and improved selection of trainees. Although there was a precedent in the awarding of training grants by the National Institute of Mental Health, the Congress has not acceded to Administration requests to authorize the advance funding of manpower programs.

The NMAC repeatedly recommended increased appropriations for the Office of Manpower Research, since it was convinced that the national effort to build strong manpower policy and programs required a stronger knowledge base and additions to the supply of competent manpower specialists. While by 1965-66 the NMAC had convinced both the Department of Labor and the Bureau of the Budget of the wisdom of increased appropriations, the Federal financial stringency incident to the expansion of hostilities in Vietnam prevented congressional action.

In light of the sizable sums involved in the steady expansion of manpower programs during the 1960's and early 1970's, the NMAC was only peripherally involved in assessing the level of need for the programs or in the design and redesign of methods for disbursing the funds. Its principal impact was its firm opposition, repeatedly affirmed, to the use of tax credits as a method of Federal support for manpower training.

Employment Creation

At its ninth meeting in September 1965 the NMAC for the first time recommended that the Federal Government initiate a program of direct employment opportunities primarily for the hard-to-employ; that a training component be established; and that special care be taken in the establishing of wages, supervision, and related matters to encourage people to move off the public payroll into private employment. The NMAC reaffirmed this position at its 12th meeting (June 1966) when, in reviewing the Nelson-Scheuer Bill, it recommended that in addition to successful training programs, jobs be created for people with limited skill and education.

In its comprehensive review of the first 6 years' experience with MDTA, at its 19th meeting (March 1968), the NMAC considered at length and for the first time the proposal that there be a large-scale governmental effort to create jobs, as recommended by the National Commission on Civil Disorders and by Senators Joseph S. Clark and Winston L. Prouty. While the response of the Committee was favorable, it asked for the opportunity to review the matter further to explore the impact of a program of job creation on individuals currently employed but earning inadequate incomes, as well as those on welfare.

Further discussion ensued in September 1968 and was based on a background paper prepared by Dr. Garth Mangum. The tenor of the Committee's discussion again was favorable, but it called attention to a new dimension: the alienation of Negro youth in the ghetto could not be overcome by jobs which pay only the minimum wage and which offer few or no opportunities for advancement.

In the letter which the Chairman of NMAC wrote to President-Elect Nixon on November 25, 1968, summarizing priority policy actions for the new Administration's consideration was a specific recommendation "to enlarge the role of the Federal Government in direct job creation for those who desire to work but are unable to find jobs through no fault of their own."

In the first meeting after the new Administration had taken office (23d meeting, March 1969), the NMAC urged consideration of how the Federal Government could stimulate job creation in the public sector for desirable public services.

In the two succeeding meetings the issue of job creation was again discussed and again the NMAC had a positive view of the desirability of such a program, but it warned that such a policy would require close integration between the program and welfare reform.

At each of its four meetings in 1971 the NMAC was concerned with various aspects of the problem which had become entangled with revenue sharing and then had been disentangled with the passage of the Emergency Employment Act of 1971.

This brief review shows that the NMAC early questioned whether manpower training per se could assure the employability of all who do not have jobs; that it approved the Federal Government's moving in the direction of job creation for the hard-to-employ; that it recognized that a job creation effort would have to be shaped with respect to the employed poor and persons on welfare; and that in the absence of clear-cut answers to these problems, the Committee was disinclined to press for a large-scale public service employment effort.

Coordination and Decentralization

A central concern of the NMAC has been to identify problems connected with the improved administration of the training programs and to suggest remedial actions. From its first meeting, when it recommended the establishment of State advisory committees, to its most recent (December 1971), when it called for improved administrative devices, including the establishment of the Mountain States Regional Advisory Committee as a demonstration unit for the development of regional manpower planning, the Committee has been concerned with ways whereby Federal funds could be more effectively translated into expanded and improved manpower services.

At its seventh meeting (April 1965), the NMAC recommended that the Department of Labor encourage the States to assume more responsibility for forward planning and to use the States' plans as guides for the allocation of Federal funds. It made a strong plea that the Federal Government remove itself from the details of contracting and move to a higher degree of decentralization, retaining policy control.

At its ninth meeting (September 1965), the NMAC took note of grass roots concern with the proliferation of manpower programs and the interest of Congress in heightened coordination. At the next meeting the NMAC recommended that funds of the Office of Economic Opportunity be used to expand and deepen existing manpower programs rather than to build competing structures.

The problems of coordination loomed so large that at its 12th meeting the NMAC appointed a joint National-Regional Subcommittee on Coordination which reported at its next meeting. The principal thrust of the Subcommittee's report was a recommendation that the Federal Government move as rapidly as possible to funnel all funds through a single contractor in each locality and to establish a single manpower service center in each locality for the provision of manpower services. In addition, the report stressed the need for a local planning capability. While the concept of a single manpower center within each region did not prove practical, the other two recommendations, which were concerned with coordinated funding and local planning, were acted upon in the ensuing months.

The NMAC recommended that responsibility for the operation of title V of the Social Security Act, which involves work training for relief recipients, be placed in the Department of Labor to prevent a further proliferation of manpower programs (16th and 18th meetings).

In its comprehensive review at its 19th meeting (March 1968), the NMAC stressed the need for more stability in the training program. To accomplish this, it recommended alinement of Federal programing, dissemination of earlier information to the field, more assistance to local groups to enable them to play a larger role, and funding for the Cooperative Area Manpower Planning System (CAMPS).

At the following meeting we noted Congressional concern with Federal-State-local relations and flagged it for extended discussion at the next meeting (21st). At that meeting, on the basis of a paper prepared by Professor Thayne Robson, the NMAC approved the principle of further integration at the Federal level with only one channel from each Department to the field and more authority for the regional representatives for decisionmaking, a recommendation that was later accepted.

At its 23d meeting, the first under the new Administration (March 1969), the NMAC was informed about the major reorganization of the Manpower Administration of the Department of Labor. The Committee approved of the reorganization but warned that, although more authority would be decentralized to the States, because of their limited capability to plan and

carry out manpower assignments, it was important for the Federal Government to maintain strong surveillance, especially with regard to the protection of minority group interests.

At its next meeting (24th, June 1969) the NMAC reviewed the Administration's Manpower bill, which proposed optimum decentralization (75 percent of the funds) with a recommendation of line veto by the Secretary of Labor.

Legislative reform was again before the Committee at its 27th meeting (October 1970) when consensus favored the House bill which promulgated decentralization, reduction in the number of prime contractors, and the need to dovetail State and local plans. When the Senate bill was passed and vetoed, the NMAC urged that the Secretary of Labor seek to accomplish as much decentralization as possible through administrative action. By the following meeting the legislative picture had been complicated by the introduction of the manpower revenue sharing proposals. The Committee reaffirmed its longstanding position in favor of more decentralization with State and local officials able to shape manpower programs in light of local needs. But recognizing the weak capability of many States to carry out these functions, the Committee reaffirmed its earlier position on the need for continuing Federal surveillance and control.

The passage of the Emergency Employment Act in the summer of 1971 was the first of two steps by the Congressional leadership to write new manpower legislation. A new manpower bill is scheduled to be written and acted upon before the end of fiscal year 1972. Since MDTA was legislated only until that time, some new legislation, if only a continuation of MDTA, is almost certain. If a comprehensive bill is advanced, it will probably move in the direction of the long-term objectives of the NMAC, which have been to achieve much more decentralization, while the Federal Government continues to have a strong role of surveillance and control until the States and localities demonstrate a greater capability of planning and operating successful manpower programs.

The First Decade: A Summing Up

At its 30th meeting (June 1971), the NMAC noted that the several manpower bills before Congress differ with respect to the statutory provision for an Advisory Committee. The NMAC opposed the proposal to establish an Advisory Committee with an independent staff which would report annually to the American people, since such a structure would place the Committee in a role supervisory to the executive departments and it would thereby lose its ability to advise and recommend new directions. On the other hand, the NMAC would be distressed if legislation covering an annual Federal manpower effort that may soon reach $6 billion (subject to welfare reform) would not provide for a statutory committee.

There is only one way to read the NMAC's expressed preference for the continuation of a statutory Advisory Committee. Looking back on its own experience, the Committee believes that it has been able to make a useful contribution to the shaping of Federal manpower policy. If it has done less, it should not be continued; if it wanted to do much more, it could no longer be an Advisory Committee.

II. NMAC LETTERS TO THE SECRETARY OF LABOR AND THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE

NOTE: The full names of individuals referred to in the letters by surname and the full titles of organizations identified by acronyms are given in the index to the letters.

LETTERS 1 THROUGH 9: 1962-65

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CONSERVATION OF HUMAN RESOURCES
COLUMBIA UNIVERSITY
NEW YORK, N.Y. 10027

ELI GINZBERG, DIRECTOR

October 10, 1962

The Honorable W. Willard Wirtz
Secretary of Labor
Washington, D.C.

Dear Mr. Secretary:

It is my pleasure to convey to you by this letter the findings and recommendations of the first meeting of the National Manpower Advisory Committee that was held at the Department of Labor on September 27-28. Before doing that, however, I wish to mention two developments that took place on the first day of the meeting, which I think will have a significant influence on the work of the National Manpower Advisory Committee in the days ahead.

1. The first development was a meeting at the White House with the President and Vice President following our morning session with you and Under Secretary Ivan Nestingen of Health, Education, and Welfare. On that occasion President Kennedy told the members of the National Manpower Advisory Committee that there were three groups in the community that were of deep concern to him, and that could benefit from MDTA's training and retraining programs. The three groups cited by the President were:

   > The large number of young people who were leaving school, poorly educated and poorly trained;
   >
   > Middle-aged people who had the misfortune to lose their jobs and who could not be readily absorbed in the labor market without a booster such as a retraining program; and
   >
   > Those persons who possessed very real skills, but skills that had been made obsolescent by a technological development.

2. Earlier in the day the President had said in a press release that "I consider the Manpower Development and Training Act of 1962 one of the most important measures ever passed by Congress to help foster our Nation's technological development, strengthen our domestic prosperity, and maintain our position of leadership in the world."

3. The second development was the request by Under Secretary Ivan Nestingen, in which you concurred, that the National Manpower Advisory Committee also serve in an advisory capacity to the Department of Health, Education, and Welfare. I believe this arrangement, which is possibly unique among Federal agencies, will afford the Committee an opportunity to be a medium for the exchange of information and the resolution of issues between Labor and HEW that will contribute significantly to an active manpower policy.

CD/1

4. The meeting of the National Manpower Advisory Committee on September 27-28 was in the nature of an organizational and learning process. Three subcommittees were established and their chairmen designated. The subcommittees and their chairmen are:

   Subcommittee on Training
   William G. Caples, Chairman

   Subcommittee on Research
   William H. Nicholls, Chairman

   Subcommittee on Community Relations
   Felix E. Larkin, Chairman

5. A resolution was adopted by the National Manpower Advisory Committee encouraging the appointment of State Manpower Advisory Committees as provided in Section 205 of MDTA. In the resolution it is urged that the Secretary of Labor recommend to the Governors of the States not having manpower advisory committees that they appoint State committees patterned after the National Manpower Advisory Committee, and that the State committees be authorized to make recommendations concerning manpower development and training programs in keeping with the needs and resources of the States they serve. I am attaching the full text of the resolution with a recommendation that it be given a high priority.

6. We noted that the Department of Labor would have to take special effort to see to it that States in which discrimination is rife allocate their funds in such a manner that members of minority groups have an opportunity to benefit from training. The importance of such action is the greater because of what the Vice President related to us about the legislative history of the act. Many of its supporters recognized the need to help unskilled Negroes to become self-supporting.

7. Similarly we took note of the fact that unless special efforts were made it might be difficult for rural persons to participate, particularly because of the proviso that training could be instituted only if there was a prospect of a job opening. Clearly in the case of such persons, the labor market would have to be broadly defined.

8. As the program expands it appears desirable to explore whether use can be made of social security records to assess the value of training as reflected in later employment and earnings for those who have gone through the program.

9. We were pleased to note that title I of the act gave the Department of Labor statutory authority to undertake manpower research. In this connection, we believe that an early effort should be made to study the presently used definitions of unemployment in the context of learning more about persons outside of the labor force; as well as the influence of wage rates on whether or not a person seeks employment.

10. The members of the Committee indicated that if you and your staff considered it helpful, we would be pleased to make ourselves available for periodic presentations to interested groups as well as for consultation with State and local government officials. We would also make time available to inspect training projects in the field so as to obtain firsthand knowledge of how the program was proceeding.

11. It was decided that the second meeting of the National Manpower Advisory Committee will be held on December 13-14. We look forward to the pleasure of having you with us again on that occasion.

Sincerely,

[Signed]

Eli Ginzberg

Enclosure

RESOLUTION OF THE NATIONAL MANPOWER ADVISORY COMMITTEE TO ESTABLISH STATE MANPOWER ADVISORY COMMITTEES

WHEREAS manpower is one of our greatest resources, its effective development and utilization are paramount for our national welfare;

WHEREAS the Manpower Development and Training Act of 1962 provides training programs for the unemployed and underemployed and a broad program of research in the field of manpower;

WHEREAS the Manpower Development and Training Act of 1962 provides for a National Manpower Advisory Committee which has been appointed to advise the Secretaries of Labor and Health, Education, and Welfare in the carrying out of their duties under the act;

WHEREAS the National Manpower Advisory Committee is authorized to encourage and assist in the organization of labor-management-public committees on a plant, community, regional or industry basis as a means of furthering the purposes of the act;

WHEREAS we the appointed members of the National Manpower Advisory Committee strongly believe that State and other community, regional, plant, and industry committees are necessary in carrying out our responsibilities under the act;

BE IT RESOLVED, therefore, That the National Manpower Advisory Committee encourages the appointment of State manpower advisory committees by the Governors of the States not having such committees.

BE IT RESOLVED, That the Secretary of Labor recommend that the Governors of the States not having such committees appoint State manpower advisory committees patterned after the National Manpower Advisory Committee, and that the State manpower advisory committees be authorized to make recommendations concerning manpower development and training programs in keeping with the needs and resources of the States they serve.

BE IT RESOLVED, That appropriate guidelines for State manpower advisory committees be recommended to the States.

Washington, D.C.
September 28, 1962

CONSERVATION OF HUMAN RESOURCES
COLUMBIA UNIVERSITY
NEW YORK, N.Y. 10027

ELI GINZBERG, DIRECTOR

December 28, 1962

The Honorable W. Willard Wirtz
Secretary of Labor
Washington, D.C.

Dear Mr. Secretary:

At its meeting on December 12 and 13, the National Manpower Advisory Committee adopted a series of recommendations which in my capacity as chairman I am forwarding to you at this time for your consideration and for such further action as you may deem desirable:

1. The Committee would appreciate it if you would communicate to the presiding officers of the legislatures that will be meeting in 1963, but which are not scheduled to meet in 1964, the substance of the following resolution:

   > The National Manpower Advisory Committee respectfully urges the Legislature of the State of _____ to take all necessary actions during its forthcoming session to insure the continuing participation of _____ in the manpower development and training program under Public Law 87-415 (March 15, 1962).

2. The Committee recommends that the Secretary of Labor and the Secretary of Health, Education, and Welfare jointly request the assistance of the heads of such Federal agencies as the Department of Defense, the Department of the Interior, the Atomic Energy Commission, the National Aeronautics and Space Administration, to make selective facilities available for training and retraining programs as provided for under section 303 (a) of the act. The Committee believes that the use of such Federal facilities could in many regions of the country assist substantially in providing better and more equitable opportunities for qualified trainees.

3. The committee strongly recommends that the Secretary of Labor pursue the discussions which the Department has opened up with an aim of eliciting the support of the Advertising Council to launch a public service program focused on raising the educational and skill level of the American people.

4. Under section 205 (b), the National Manpower Advisory Committee approved the establishment of regional committees whose primary functions would be to assist in planning, information, and evaluation of all programs under the act. A tentative decision was reached to establish seven such regional committees, the membership of which was to be patterned after the National Committee. The headquarters will be in San Francisco, Denver, Dallas, Kansas City, Chicago, Atlanta, and New York.

5. Because of the expressed interest of the Vice President in the ways in which the present act might contribute to raising the skill level of minority groups, the Committee thought that you might like to

apprise him of the following facets of the training program which are aimed at ensuring the full and equitable participation of minority group members:

a. Securing routine statistical information that will permit the determination of the number of trainees from minority groups participating in the program.

b. Undertaking continuing analyses of the quality of training programs to assure that these groups are participating in the types of programs that will facilitate their securing good employment opportunities in the future.

c. Undertaking continuing analyses of the distribution of funds to assure that the proportion being spent on the training of these groups is commensurate with the needs and capabilities of their members to profit therefrom.

d. Refusing to approve programs which arbitrarily deny qualified members of these groups opportunity to secure desirable types of training.

e. Eliciting the cooperation of the heads of Federal agencies with suitable training facilities to broaden the opportunities of these minority group members to participate.

f. Appointing an ad hoc panel of consultants to the National Manpower Advisory Committee on counseling, guidance and testing for the purpose of reviewing, among other things, the policies and procedures used to select trainees for participation in various training programs.

The Committee believes that action along the foregoing multiple axes is the best guarantee that members of minority groups will share fully in the benefits of this program. The Committee plans, however, to remain alert to this facet of the program and will forward additional recommendations whenever the evidence warrants.

I do not want to close this summary report without conveying to you, Mr. Secretary, the enthusiastic response of the members of the Committee to the challenge which faces the Nation in making a success of this most important program and the deep sense of satisfaction that they have in being able to play a small part therein.

Sincerely,

[Signed]

Eli Ginzberg

CONSERVATION OF HUMAN RESOURCES
COLUMBIA UNIVERSITY
NEW YORK, N.Y. 10027

ELI GINZBERG, DIRECTOR

3

May 21, 1963

The Honorable W. Willard Wirtz
Secretary of Labor
Washington, D.C.

Dear Mr. Secretary:

The National Manpower Advisory Committee held its third meeting on May 16 and 17. I am pleased at this time to be able to report to you the highlights of its discussion and recommendations:

1. The NMAC was pleased to learn that since its last meeting a large number of Governors had appointed State committees pursuant to your request. However, we were disturbed to find that in a considerable number of States no State advisory committee has as yet been appointed. It is our understanding that a survey of the current status of State committees is now under way. We strongly recommend that upon the completion of this survey you consider what additional action you might take to encourage the Governors who have not yet acted.

2. Our Committee was informed that there is little prospect that any considerable number of the legislatures meeting this year will pass enabling legislation to insure State matching beginning with fiscal 1965. We were apprised of the fact that existing laws covering participation in vocational educational grants from the Federal Government may be broad enough to cover matched participation for training under MDTA. However, this would leave unanswered the question of the States' participation in training allowances. We want you to know that our Committee stands ready to help in any way that it can to ensure that what appears to be developing into a most constructive national program will not go by default because of the 50 percent matching formula.

3. Our Committee was particularly pleased to learn of the good progress that had been made since our last meeting on the proposal of the Advertising Council. On the basis of the information before it, the Committee believes that it would not be sound policy to encourage the establishment of a national commission and/or institute to implement the objectives of the Advertising Council's campaign. The Committee firmly believes that the elaborate structure of advisory committees at the national, regional, State, and local areas, currently existing and being rapidly expanded, provides all of the machinery necessary for citizen participation alongside of Government. In the event that there may be some occasion for the use of nongovernmental funds for special purposes, provision has already been made under the MDTA for the National Manpower Advisory Committee to receive nongovernmental funds for the purposes of implementing the objectives of the act.

4. The proposal for a series of regional manpower conferences currently under discussion in the Department was evaluated. It was our considered judgment that such conferences, while they might be helpful, were not especially urgent. If the Department were to proceed with the plan, we believe that

conferences of a single day could prove helpful; and we would particularly urge that they be scheduled if at all possible in connection with the launching of regional committees on which we are currently engaged.

5. Our Committee had an opportunity to review the draft of a booklet on local manpower committees and responded most favorably. We believe that increasingly the publications of the Department of Labor, and more particularly OMAT, must be focused on particular groups whose support and help are being sought.

6. At the end of a lengthy discussion of the growth of the training program and the characteristics of the trainees in relation to the characteristics of the unemployed, our Committee concluded that it would not be practical for the Department of Labor to provide adequate training opportunities for all of the major groups—young workers, older workers, workers belonging to racial minorities, poorly educated, the hard core unemployed, etc. It was the consensus that the major thrust of the program should be on heads of households who had 3 or more years' experience in the labor force. However, the Committee felt strongly that the development of more demonstration programs directed toward the foregoing special groups would provide important new knowledge for future policy.

7. Our Committee was pleased to learn of the excellent reception which the *Manpower Report of the President* had received and noted with gratification the generous acknowledgment which you had made of its help. In discussing the report for next year, the Committee believed that it would be desirable if the presidential section could serve as a general orientation on manpower for the citizenry at large; and it recommends the reproduction of essential basic statistical materials at the back of the report. It believes, however, that the central sections should in the future be more problem-oriented and somewhat more evaluative rather than to be heavily statistical. This recommendation grows out of the Committee's belief that a more pointed treatment of selective manpower problems in this middle section could prove a major step forward in educating the public and securing a broader consensus for action.

8. Mr. Schoemann presented on behalf of Mr. Beirne and himself a critique of the current operations of MDTA from the vantage point of the trade union movement. After detailed discussion of this document the chair referred it to the Subcommittee on Training on which the authors serve, with the request that the subcommittee develop appropriate recommendations for the improvement of policies and procedures where they are found to be faulty.

9. The Committee was pleased to learn that the current policy of the Department of Labor is to approve no training programs which are discriminatory either with respect to admission into the program or the conditions under which training is carried out.

10. In view of the fact that training programs are formulated in response to local leadership, and since in the case particularly of certain farm groups, local leadership may be disinclined to advocate training for nonagricultural jobs, the Committee recommends that the Department explore alternative ways in which seriously disadvantaged groups might be given an opportunity to participate in suitable training.

11. The Committee had an opportunity to review the recommendations of the newly established Panel on Counseling and Testing and approved one specific recommendation aimed at using the summer months to learn through field studies of the suitability of present testing instruments.

12. Our Committee was pleased to learn that one of its members, Mr. Upshur Evans, would have an opportunity under an invitation of the OEEC to visit Sweden next month to learn about its labor market policies and procedures. We feel sure that Mr. Evans' observations and evaluations will prove of help to the Committee in its later work.

On the basis of our experiences to date, it was agreed that we would meet somewhat more frequently but would limit our meetings to a single day. We believe that with sharply focused agenda and with no formal presentations we could increase our usefulness through this adjustment. Our next meeting has been scheduled for November 22. It would be a deep source of satisfaction to all of us if your schedule permitted you to spend a little time with us then.

Sincerely,

[Signed]

Eli Ginzberg

CONSERVATION OF HUMAN RESOURCES

COLUMBIA UNIVERSITY

NEW YORK, N.Y. 10027

ELI GINZBERG, DIRECTOR

December 27, 1963

The Honorable W. Willard Wirtz
Secretary of Labor
Washington, D.C.

Dear Mr. Secretary:

Although the Manpower Development and Training Act is still a very young program, some traditions are being rapidly established, including my sending on to you after each meeting a summary of our discussions and recommendations. Accordingly, I am forwarding herewith a report of the fourth meeting of the National Manpower Advisory Committee, which was so tragically interrupted on November 22 and which was concluded on December 19.

One preliminary. I am sure that you will be pleased to know that in response to the request of the Under Secretary, the Committee decided to meet quarterly. Our next meeting is scheduled for March 13.

1. The Committee congratulates the Departments of Health, Education, and Welfare and Labor for launching such a radical new program successfully. It believes that the favorable action taken by the Congress to broaden and deepen the scope of the act is a clear vote of confidence. We believe, however, that additional actions should be instituted now to convey the significance of the program to the general public so that the legislatures of the several States will act favorably with respect to the one-third requirement of State participation in fiscal 1966. The members of the Committee stand ready to assist in this undertaking and several of the recommendations noted below are related to this objective.

2. We noted the amendment which transferred responsibility from the Committee to you for leadership in developing and strengthening State and local advisory committees. We suggest that except in overriding circumstances you do not approve training programs that have not been reviewed and approved by appropriately constituted committees. We are convinced that the success of MDTA hinges on the active participation of community groups. For this reason we await clearance on the establishment of regional committees, because we believe that they will be able to make a further contribution to community participation in the program.

3. Subject to sound materials being developed at a reasonable cost, we recommend for your early approval the program of the Advertising Council. The chairman of our Subcommittee on Community Relations, Mr. Larkin, stands ready to assist you in any way that he can.

4. We approved the report of the Subcommittee on Training, which grew out of a memorandum submitted originally by Messrs. Beirne and Schoemann. Copies of this report had been submitted earlier to the Manpower Administrator through the Director of OMAT, so as to enable the staffs of the Departments of HEW and Labor to initiate corrective action in areas where they agreed with the subcommittee's recommendations. In light of the Committee's formal approval of the subcommittee's

report, we would appreciate being informed at the next meeting of our Committee as to the actions which the Department has taken to implement it.

5. The Committee reviewed a highly constructive report of its Panel on Counseling and Testing, particularly as it related to strengthening the counseling personnel in the U.S. Employment Service and the manner in which they are utilized. The Committee did not approve the recommendation of the panel that special counselors be assigned specifically to deal with MDTA trainees. The Committee is asking the panel to address itself to two additional problems: the possible modification of the testing instruments now in use, and suggestions for improving the coordination between the counselors in the Employment Service and those in the schools. The recent amendments aimed at increasing the participation of the uneducated and of youth in MDTA explains the Committee's desire for help on these two fronts.

6. The Committee recommends that the coming year see an accelerated growth of on-the-job training. It considers such training particularly well suited for many service occupations where employment prospects are relatively favorable. It believes that on-the-job trainees should be permitted to undertake work in connection with their training and that proper administrative safeguards can be fashioned to insure that such work is not used to subsidize wages or otherwise endanger regular jobs.

7. The Committee also recommends the speedy institution of programs focused on individual referrals for training, believing that only through such an approach will it be possible for citizens in small communities to participate effectively in MDTA training.

8. The Committee approved the report of its Subcommittee on Research chaired by Professor Richard A. Lester, which recommended various ways through which the Department might strengthen its research personnel so as to carry out more effectively the objectives of title I of the act.

9. The Committee was pleased with the plans for the second *Manpower Report of the President*; it expressed the hope that the report would focus on a limited number of key manpower issues; and it stands ready once again to review and comment on the draft whenever it is ready for circulation.

10. The Committee considered the interrelations among MDTA, the expansion of vocational education, and the pending Youth bill. It recommends continuing efforts to strengthen the working relationships not only between the staffs of HEW and Labor in Washington, but all through the country, particularly at the State and local levels. The Committee believes that despite the recent expansion of MDTA and vocational education, there is room for additional efforts as provided for in the Youth bill to assist handicapped young people in preparing themselves for work.

11. The Committee had an opportunity through a presentation by Dr. Aller to learn about various problem areas of concern to the House of Representatives in its recent appraisal of MDTA and will address itself to these issues at future meetings.

12. Mr. Upshur Evans shared with his fellow members a crucial finding growing out of his visit to Sweden, to the effect that the success of training programs depends in considerable measure on the flow of

information from industrial research laboratories, so that the impact of new developments on manpower requirements can be taken into account.

The Committee hopes that its deliberations and recommendations will enable you and your assistants to strengthen what is clearly a constructive program which has gotten off to a good start. All of the members stand ready to help in any way that you may suggest.

Sincerely,

[Signed]

Eli Ginzberg

CONSERVATION OF HUMAN RESOURCES
COLUMBIA UNIVERSITY
NEW YORK, N.Y. 10027

ELI GINZBERG, DIRECTOR

5

August 15, 1964

The Honorable W. Willard Wirtz
Secretary of Labor
Washington, D.C.

Dear Mr. Secretary:

The members of the National Manpower Advisory Committee were very pleased that you found it possible to be present at their deliberations through much of their fifth meeting. We profited from the free interchange that your presence made possible. I hope that your schedule will permit you to spend some time with us at our next meeting, which will be held on September 25.

In accordance with past practice, I am sending to you, now that the minutes have become available, a brief summary of the highlights of this last meeting:

1. After hearing a critical analysis of manpower trends in rural communities by one of our members, Professor Fuller, it was concluded that it is urgent that the farm population participate more actively in programs under the Manpower Development and Training Act.

2. It was strongly felt that henceforth no funds should be made available for projects unless they have been screened by appropriate local and State advisory committees, as stipulated by the act.

3. Since the effectiveness of the total retraining effort depends in considerable measure on the active participation of various groups in the community, steps should be taken quickly to broaden the base of such participation, including the launching of the campaign of the Advertising Council. This is particularly desirable in light of the responsibility of the States to begin making a financial contribution to the support of MDTA in 1965. Our Committee plans to address itself to this issue again at its September meeting.

4. On the basis of a suggestion of our Subcommittee on Research, we recommend that the Office of Manpower, Automation and Training begin immediately a comprehensive assessment of its experience to date in order to identify the solid elements in the retraining effort and to take corrective action with respect to approaches that have proved to have limited value.

5. The Committee was distressed to learn the extent to which difficulties in securing a deficiency appropriation are resulting in a loss of the momentum that has built up and which may result in higher training costs. The Committee stands ready to assist, in any way that it can, in alerting the Congress to the wastefulness stemming from such financing procedures.

6. In light of the multiple types of training efforts being carried on throughout the country, it is recommended that early consideration be given to the potentialities of integrating the MDTA program with established programs.

I know that the members of the Committee would want me to reaffirm their desire to be of help in any and all ways that Secretary of Health, Education, and Welfare Celebrezze and you may suggest.

Sincerely,

[Signed]

Eli Ginzberg

CONSERVATION OF HUMAN RESOURCES
COLUMBIA UNIVERSITY
NEW YORK, N.Y. 10027

ELI GINZBERG, DIRECTOR

6

October 6, 1964

The Honorable W. Willard Wirtz
Secretary of Labor
Washington, D.C.

Dear Mr. Secretary:

We missed you at the sixth meeting of the National Manpower Advisory Committee, which we held on September 25, but we appreciated the reasons why you could not be with us.

It was a good meeting, and I hope that you will find that our actions were constructive. The most important recommendations follow:

1. We were very pleased to learn that programs under the Manpower Development and Training Act are now concentrating on training the hard-to-employ groups. We noted only two major deficiencies; the substantial underrepresentation of older persons and the rural population. We recognize that it will not be easy for the Department to make speedy progress on these fronts, but we hope that more can be done for these groups in the future.

2. We were briefed about the relatively slow action of the States with respect to passing enabling legislation and appropriations to pick up their responsibilities for matching, starting in July 1965. We want you to know that we stand ready to do whatever we can do to help in this regard, including the drafting of a special letter to the Governors setting forth our positive appraisal of the program and its future potentialities, if you think such action would be helpful. If you have other suggestions as to how we might help as an advisory committee, please let us know.

3. We were informed that the Department of Health, Education, and Welfare currently has a special study group looking into the matter as to how to achieve greater coordination between the Federal, State, and local governments in the implementation of MDTA. I hope that the findings of this survey group will be reviewed when they become available shortly, to see what lessons can be extracted by the Department of Labor that may be of value. Curt Aller's report on the recent conference at Airlie House indicates that there is opportunity for improvement along these lines.

4. At some opportune time, the Secretary of HEW and you may want to consider the possibility of asking the Congress to provide you with greater elasticity in the forward funding of training programs. Congress has taken such action with respect to the National Institutes of Health and recognizes, I think, the gains which have been achieved through such action. It may be too early to approach the Congress with respect to MDTA, but it is a point that we thought worthwhile to flag at this time.

5. In the summary report of Senator Clark's Subcommittee on Employment and Manpower, written at the conclusion of his long hearings on the manpower revolution, there is a recommendation for the establishment of a series of manpower centers at leading universities in different parts of the country.

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In light of the fact that the regional committees which are about to be activated require underpinning and support if they are to discharge their missions effectively, our Committee felt that it was highly desirable for you to proceed as far as you could in exploring the establishment of a limited number of manpower centers. Such centers could not only help to support the new regional committees but even more importantly serve as training institutions and as facilities for research in the manpower field. It is the considered opinion of the Advisory Committee that the long-term strengthening of manpower programs in the United States requires the training of additional specialists. In light of the Senate Subcommittee's recommendation, our Committee felt that you may want to seek Congressional support if you require it.

6. Our Committee approved a comprehensive report from the Panel on Counseling and Selection, which included the following recommendations:

> That the National Manpower Advisory Committee request the Secretary of Labor to consult its Panel on Counseling and Selection where new programs demanding additional counselors are being planned in order to permit the most orderly and effective recruitment of qualified professional personnel.

We would appreciate it if you would ask the Manpower Administrator to review this report and take steps to implement it.

7. There was some concern on the part of the Committee that the Bureau of Apprenticeship and Training had combined responsibilities for apprenticeship and on-the-job training (OJT) greater than its personnel could cope with effectively. It would be reassuring to us if you could review its manpower resources.

8. Our Committee feels that it is important to undertake some type of continuing evaluation of local, area, and State manpower advisory committees to be sure that they are well balanced and are functioning effectively.

9. In light of the passage of the Economic Opportunity Act, our Committee feels that it is important that monitoring efforts be established to see that groups not previously represented on local and area manpower advisory committees, including representatives from social welfare agencies, are being added.

10. We also believe that it would be desirable for these local and area committees to broaden the scope of their activity and to undertake job surveys and other types of manpower investigations; and to hold local conferences in which they disseminate the results of their studies and reports.

11. The Subcommittee on Training has placed on its forthcoming agenda a consideration of the criteria that the Department should follow in underwriting the costs of on-the-job training for the retraining of workers currently employed.

12. The Subcommittee on Community Relations will make a recommendation to you about future relations to the Advertising Council as soon as it has had an opportunity to review the appraisal of the

Advertising Council's first efforts. We understand that this appraisal is far advanced and will soon become available to the Subcommittee.

13. Our Committee was pleased to have an opportunity to hear the new head of the Women's Bureau review with it the way in which MDTA was coping with the training and retraining problems of female workers. As an outgrowth of this discussion, we recommend that the Manpower Administrator encourage closer liaison between the Office of Manpower, Automation and Training and the Employment Service and the Women's Bureau in developing additional programs, particularly for young female workers.

14. In connection with the briefing which we received covering the new poverty legislation, we noted the possible dangers in the administration of title V which might jeopardize existing labor standards. We simply wanted to alert you to our concern about this matter.

15. Our Committee believes that you may want to give serious consideration to the establishment of a limited number of ad hoc survey groups composed primarily of outside experts to appraise on a sample basis typical MDTA programs. We regret that it has not been possible for the members of the National Committee to undertake such field appraisals, but we recognize that the Congress is particularly interested in keeping the program under critical surveillance.

I do not want to close this letter without conveying to you the very real sense of satisfaction of each and every member of the Committee with the excellent manner in which the broad objectives of the MDTA program have been carried out by the Departments of Labor and HEW, and to tell you again of the pleasure and satisfaction which the members of the Advisory Committee receive from being able to play a small part in this significant national undertaking.

Sincerely,

[Signed]

Eli Ginzberg

CONSERVATION OF HUMAN RESOURCES
COLUMBIA UNIVERSITY
NEW YORK, N.Y. 10027

ELI GINZBERG, DIRECTOR

April 6, 1965

The Honorable W. Willard Wirtz
Secretary of Labor
Washington, D.C.

Dear Mr. Secretary:

In accordance with past practice—I cannot use the term tradition after your luncheon remarks—I am pleased to send on to you a summary of the major findings and recommendations growing out of the seventh meeting of the National Manpower Advisory Committee on April 2. First, however, I want to tell you how much all of us appreciated your being with us at lunch and talking with us about problems of mutual interest and concern.

1. The Committee decided on a series of steps to strengthen its own structure and operations: To provide for rotation of membership; to expand its subcommittee structure; to meet quarterly; to invite the chairmen of the regional committees to meet with it twice annually; and additional actions, such as to request the Department of Labor to provide technical staff to assist the work of its subcommittees.

2. Action will be taken immediately to broaden the membership of the Subcommittee on Training which has been charged to consider, prior to the next meeting of the full Committee, certain issues, including the following:

   a. What should be the short- and long-run policy under the Manpower Development and Training Act with respect to the retraining of professional personnel?

   b. How can the NMAC play a constructive role with respect to reviewing the standards and procedures used in the approval of nationwide on-the-job training programs?

   c. What contribution can the Subcommittee on Training make to the broadened and deepened program of evaluation which the Manpower Administrator is planning to inaugurate?

   d. How can the subcommittee contribute to developing a more effective framework for management and labor to cooperate in expanding OJT?

3. The NMAC was briefed on the major efforts under way to expand the job development program. While the Committee agrees that stress should be placed on tieing the program to the expansion of small business, it raised the question of whether additional substantial expansion of employment would not result if more efforts were made to involve large-scale business organizations.

4. The Committee was apprised of the changes contemplated in the funding of the MDTA as a result of the amendments now under consideration. It recommends that the Department of Labor and of Health, Education, and Welfare accelerate their forward planning and seek Congressional approval for early funding of at least part of the annual program. Experience has demonstrated that delays in Congressional appropriations can result in large-scale wastes of time, effort, and dollars.

5. The Committee was pleased to learn that by the end of this month five of the eight regional advisory committees will be in operation. It requests that Secretary of Health, Education, and Welfare Celebrezze and you use your influence to accelerate the establishment of the remaining three committees—New England, Middle Atlantic, and Great Plains.

6. The Committee was disturbed to learn that the problem of securing properly functioning State and local advisory committees has still not been solved, and that the number of unsatisfactory situations is considerable. Clearly, past efforts, confined largely to written communications from Washington to the field, have not proved successful. We therefore recommend that you give serious consideration to the use of contractual sanctions or other such means, such as sending a personal emissary from your office to the Governors of States in which the problem remains. This matter, about which Congress has repeatedly expressed concern, should have priority.

7. With respect to the question of the Department's decentralizing certain contractual responsibility to the States, the Committee reached the following consensus:

   a. It is highly desirable that the States assume a larger share of the responsibility in the forward planning of MDTA; that partial decentralization can be used to assist in attaining this objective; and that State plans can be used by the Federal Government to guide its allocation of funds.

   b. The current practice whereby Federal representatives are concerned with detailed specifications in each program is bad practice and is burdensome to the States. It would be better if the Federal Government were to establish broad guidelines as well as limits and proportions of various cost items, including supplies, and to have its officials concentrate on the qualitative aspects of programing. Post-audits can be used as a supplemental instrument of control.

   c. These suggestions in favor of more decentralization and a shift of focus in Federal efforts from control over details to policy control, are made with two provisos in mind: Congress expects the Federal Government to continue to exercise leadership; and in the third and fourth quarters of the year, the Federal Government must be in a position to allocate the remaining funds in terms of national priorities.

   d. Special care must be taken in any effort at functional decentralization to avoid "splintering of projects" by the States in an effort to gain more freedom of action. It will also be necessary to develop new methods for coordinating forward planning of the experimental and demonstration (E&D) programs and the other Federal training programs with State plans.

8. The Committee was encouraged to learn about the general progress that was being made to expand on-the-job training and the ambitious plans for further expansion in the year ahead. We also were pleased to learn that action is being taken to provide the Bureau of Apprenticeship and Training with more staff to meet its expanded responsibilities. With respect to this expansion program, the Committee noted the following:

   a. Its Subcommittees on Community Relations and Training stand ready to assist in this effort by helping to seek wider participation of business and nonprofit organizations.

b. We were pleased to note the cooperative relations which have been established between the interested agencies and officials in Labor and HEW, which promise to eliminate any remaining difficulties with respect to maintaining the quality of supplementary instruction in OJT projects.

c. Since many trainees are likely to acquire only a limited amount of skill in OJT (especially in the service fields), the public should be advised that the primary stress is on employability, not on skill acquisition.

9. With respect to strengthening the evaluation of the entire MDTA effort, the Committee stressed the following:

a. The key to successful evaluation is the active participation of the key personnel and agencies included in the program. Evaluation must be an ongoing educational effort.

b. In such a far-flung and diverse program as MDTA, multiple evaluation approaches such as the following must be developed:

(1) Design of routine and periodic statistical reporting.

(2) Operational research aimed at improving policies and procedures.

(3) Professional appraisals of experimental and demonstration (E&D) programs.

(4) Assessment of key administrative and professional personnel.

(5) Surveys of employers of trainees.

(6) Followup studies of persons rejected or selected for training, in addition to studies of those who drop out or complete their course.

c. The Manpower Administrator should assume leadership in spurring these evaluation efforts. We believe it would be preferable for evaluation teams to be drawn from personnel of the several bureaus, rather than to assign such personnel to a central evaluation unit.

d. With respect to the evaluation of E & D projects, considerable reliance will have to be placed on professional consultants drawn from the outside. The Subcommittee on Research will address itself to this matter at its May meeting. As already noted, the Subcommittee on Training stands ready to assist in field surveys of the training program and the work performance of trainees.

We all found satisfaction in the demonstrated interest of the Manpower Administrator to make expanded use of our Committee. In turn, we look forward to assisting him in every possible way.

Sincerely,

[Signed]

Eli Ginzberg

CONSERVATION OF HUMAN RESOURCES
COLUMBIA UNIVERSITY
NEW YORK, N.Y. 10027

ELI GINZBERG, DIRECTOR

8

June 24, 1965

The Honorable W. Willard Wirtz
Secretary of Labor
Washington, D.C.

Dear Mr. Secretary:

We had our eighth meeting of the National Manpower Advisory Committee on June 23 with the three new members present. It was, in the opinion of all, a very lively meeting, primarily because of the excellent preparatory efforts that were made by the Manpower Administrator to develop a focused agenda and to have appropriate background papers prepared. We also had the pleasure of having the new Under Secretary of Health, Education, and Welfare with us briefly at the opening and as our host at lunch.

I am listing below our major findings and recommendations:

1. The Committee was pleased to learn that its Subcommittee on Research is contemplating an early fall meeting of several days duration to review critically the present shape and future direction of the Department's manpower research. Further, that plans were under way to have the subcommittee members with special competence in agriculture hold a small working conference on exploring the potentialities for additional training programs for farmworkers who have not participated as fully as would have been desirable in the program of the Office of Manpower, Automation and Training to date.

2. The Committee accepted the following recommendations of its Subcommittee on Training with respect to the training or retraining of professionals:

   a. To request you to recommend to the major Government contractors—Department of Defense, NASA, AEC—that in the future they include in their prime contracts a reasonable sum for the continuing education of the professional staff as a measure of preventive obsolescence.

   b. To approve the principle that OMAT sponsor retraining programs for unemployed professionals, especially those dislocated by defense cutbacks.

   c. To advise great caution in any further efforts on the part of OMAT to become involved at this time in upgrading or retraining professionals, except under special circumstances such as the Cuban emigres, all projects to have prior approval of the Manpower Administrator. While the Committee recognized the need for more such training, it believed that primary responsibility rested with the individual, the professional societies, and with the Office of Education, which is now embarked on the expanded program of adult education.

3. With respect to the policy which the Department should follow in retraining for jobs with low wage levels, the Committee was unanimous that a new guideline should be developed. The majority found that in light of the prevailing minimum wage of $1.25 per hour, and the requirement that this same

figure be used as a rate of compensation for hours worked under the Neighborhood Youth Corps, that the new guideline should be set at not less than $1. Exceptions to the above should be made on an individual project basis by the Manpower Administrator only after he has convinced himself that the training would be a constructive step in the prospective occupational improvement of the trainees. The minority of the Committee views the foregoing as a stopgap measure until such time as the scope of minimum wage legislation is expanded to include those now excluded from its coverage. Further, it hopes that the Department will do all that it can along the administrative route to eliminate these very low wage jobs.

4. With respect to the continued financing of Experimental Demonstration (E & D) Projects which have proved successful, the Committee recommends that:

   a. The Department avoid using its limited E & D funds to provide continuing operational support for successful projects.

   b. The Department should, however, avoid cutting off a highly successful project, especially if it is exploring new approaches, without adequate forewarning so that the agency head can seek alternative financing.

   c. The Department should intensify exploration with the Office of Economic Opportunity and other Federal agencies the possibility of their taking over the overhead costs of successful E & D projects; as well as exploring the possibilities of State or local governments or nongovernmental agencies doing so.

   d. In the funding of new E & D projects consideration be given at the outset to the possibility of the Employment Service, Vocational Education, and other appropriate agencies at the local level assuming a more active role with the prospect of taking on the continuing responsibility for the project once it has proved itself.

5. The Committee recommends that the Department request Congressional approval to have the age of eligibility for participation in the NYC reduced from 16 to 15. The Committee also looks forward to discussing at length at its next meeting the desirability of developing a work-training program for the hard-to-employ who fall outside the scope of existing programs.

The Committee was very pleased to learn that the chairmen of all the regional committees had been appointed by you and that the regional structure would soon be in full operation.

The chairmen of the regional committees will be meeting with the National Committee at its next meeting, which will be held on October 1. They will be coming for an orientation seminar on the afternoon of September 30. A dinner is planned for the evening of September 30 which will include both the members of the National Committee and the chairmen of the regional committees. I want to extend a very warm invitation to you to be with us at that time.

Sincerely,

[Signed]

Eli Ginzberg

CONSERVATION OF HUMAN RESOURCES 9

COLUMBIA UNIVERSITY

NEW YORK, N.Y. 10027

ELI GINZBERG, DIRECTOR

October 7, 1965

The Honorable W. Willard Wirtz
Secretary of Labor
Washington, D.C.

Dear Mr. Secretary:

The National Manpower Advisory Committee has just held its ninth meeting--the first with the eight chairmen of the regional advisory committees present. We were very sorry that you could not be with us at our dinner on September 30 but we were pleased that Under- Secretary of Health, Education, and Welfare Wilbur Cohen was able to come and talk to us.

I am listing below the major points which emerged from our deliberations about which you will want to be informed.

1. With respect to financial incentives for training programs, we felt that it would be unwise to go down the tax credit route. However, before forwarding its recommendations the Committee wants the guidance of its Subcommittee on Training, which will review the matter broadly, including the possibility of inducing private firms to train people in addition to those required for their own needs; stimulating industry wide training arrangements; devising joint Government-industry plans for the retraining of workers faced with skill obsolescence. We will forward our recommendations before the next Congress convenes.

2. Our very active Panel on Counseling and Selection has been greatly disturbed by deficiencies in the number, qualifications, and utilization of counseling personnel employed by Government agencies and by the lack of adequate research into the needs of the special groups most directly involved in manpower training programs. Our Committee is in general agreement with the recommendations of its panel and we were pleased to learn of the new interagency committee which has been established to improve coordination; we hope that this important link in an effective national manpower program will continue to receive close attention.

3. On the basis of the deliberations at the recent 4-day meeting of its Subcommittee on Research, the Committee strongly recommends that the Department of Labor expand its program of manpower research just as rapidly as the availability of qualified research personnel permits. An expansion of $5 million in its annual research budget for the next several years appears to be a minimum target. In light of the magnitude of the Government's present and prospective manpower programs, an investment for manpower research by the agency with primary cognizance for manpower programs is indicated. We believe that the effectiveness of the rapidly increasing Federal programs is directly linked to the discovery and application of new knowledge.

4. In preparing the Department's position for the forthcoming White House Conference, "To Secure These Rights," the Committee recommends that stress be placed on the wide gap which continues to exist

between the current needs of minority groups for skill development and the scale of the present training program. The need for additional resources for existing programs rather than for new programs should be stressed. In addition, the Committee believes that the Department should explore whether there are lessons to be extracted from our long experience with relocating Indians and from the British experience with Advisory Centers. The Department may also want to make recommendations with respect to health defects which interfere with employability and remedial programs.

5. With respect to the desirability of the Government's initiating a program of direct employment, the Committee's preliminary response was favorable, contingent upon evidence that a substantial number of persons, in addition to those affected in the current unemployment figures, have persistent difficulty in finding and holding jobs; if the new program has a training facet built into the work experience; if special care is taken to deal with such matters as wages, supervision, etc., in a manner that would encourage movement of people from these programs back into the regular economy; and if the programs are responsive to the particular needs of particular groups of long-term unemployed persons.

6. The NMAC was informed by several of the chairmen of regional advisory committees that there is considerable grassroots concern with the rapid proliferation of the Federal Government's manpower programs. It also reviewed a staff paper on the subject. Its deliberations point to the desirability of the Administration's acting in the near future to consider how a higher degree of coordination and consolidation could be introduced into this diffuse effort. The need for early action is reinforced by the growing concern in the Congress about the problem.

7. Assistant Secretary Quigley of HEW talked with the Committee about compliance under title VI of the Civil Rights Act. One outgrowth of the ensuring interchange was agreement about the necessity for both Departments (Labor and HEW) to refine their operational data so that they can understand the ways in which MDTA funds are allocated in States where there remains known antagonism toward rapid integration. The present statistics are not sufficiently refined to permit effective controls.

8. There were many reports from the chairmen of the regional committees about the malfunctioning of State committees because of unbalanced membership or because of their failure to meet. Congress has repeatedly called attention to this problem. The NMAC strongly recommends that you take appropriate action to assure that these deficiencies are remedied and, if the law permits, that you delay the planned delegation of authority to approve projects to each State until you have assured yourself that it has a properly functioning State committee structure.

9. With respect to procedural matters, it would be very helpful if the current vacancy of a labor member on the NMAC could be filled in the near future and if other replacements be made as expeditiously as possible with individuals who are interested in making a contribution and able to do so. The recent meetings of the Committee have been much more productive by virtue of changes introduced by the Manpower Administrator. Further headway could be accomplished if you would inform the Committee several weeks before each quarterly meeting of the actions taken by the Department on the recommendations forwarded after its last meeting. In addition, the Committee would be in a better position to deal with its agenda if it could receive all background papers at least a fortnight before its meeting date.

The Committee is deeply impressed with the progress that Labor and HEW have made in the operation of this critically important manpower program. We continue willing to do whatever we can to assist in this national effort.

Sincerely,

[Signed]

Eli Ginzberg

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CONSERVATION OF HUMAN RESOURCES
COLUMBIA UNIVERSITY
NEW YORK, N.Y. 10027

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ELI GINZBERG, DIRECTOR

January 15, 1966

The Honorable W. Willard Wirtz
Secretary of Labor
Washington, D.C.

Dear Mr. Secretary:

The National Manpower Advisory Committee held its 10th meeting on January 7. The newest member of the Committee, Mr. John H. Lyons, was warmly welcomed by his colleagues.

I conveyed to the Committee your regret at not being able to meet with them because of the emergency in New York City. We sincerely hope that you will be able to join us at dinner on Thursday evening, March 24, when the Committee will meet with the regional chairmen prior to its 11th meeting, which is scheduled for the next day. We are also inviting Secretary John W. Gardner to join us at that time.

I think that you will agree that we had a productive meeting.

1. In agreement with its Panel on Counseling and Selection, the Committee recommends that: The Departments of Labor and Health, Education, and Welfare facilitate the early publication of the proceedings of the panel's July conference; that, upon publication, the Chairman of the NMAC transmit copies of the report to the interested Federal agencies for review and recommendations; and that the "recommendations for research" be forwarded to the Subcommittee on Research of the NMAC for consideration as an agenda item in connection with a future conference on "Manpower and the Behavioral Sciences."

2. The Committee noted its appreciation of the recent Conference on Farm Manpower sponsored by its Subcommittee on Research; we look forward to the early publication of the results of this conference; and we strongly recommend that the Director of the Office of Manpower Policy, Evaluation, and Research proceed with his tentative plans to use this report as a basis for the development of new programs and policies aimed at helping the large numbers of unemployed and, particularly, underemployed farmworkers.

3. At the specific request of Senator Winston L. Prouty, the Committee considered anew the question of using tax incentives for the expansion of training programs. We concluded, however, that it is not desirable to use tax incentives to encourage the establishment of training programs because such a policy would require Federal supervision in evaluating proposed programs and in policing them. The Committee believes that the expansion of training can be more satisfactorily achieved through continued reliance on the mechanism of the Federal Government's contracting for training with private and nonprofit employers.

4. The Manpower Administrator informed the Committee of the recent appointment of an information officer and of his intention to make consultants available to the regional advisory committees in the

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near future. The Committee believes that these steps will help to achieve the urgently needed increased coordination in the manpower field at regional, State, and local levels.

5. The Committee approved in principle the new steps outlined by the staff to strengthen the State advisory committee structure. We believe that charging specific personnel in the Manpower Administration with the responsibility for servicing these State advisory committees would be highly desirable. We recommend that, in the preparation of guidelines for the delegation of approval of training programs, consideration be given to making such delegation contingent on the presence of properly functioning State advisory committees.

6. With respect to achieving a higher level of coordination of the manpower programs of the Federal Government, the Committee was pleased to learn of the efforts of the task force under the President's Committee on Manpower; of the increasingly close relations between the Manpower Administration and the Office of Economic Opportunity (OEO); and of the designation of a Federal coordinator in selected localities such as Miami. We strongly believe that new governmental funds in the manpower field (OEO) will be most effective if they are used to broaden and deepen existing manpower efforts and agencies to meet the new objectives rather than if they are used to build competing structures. We favor the designation of a Federal official in the principal cities to oversee the diverse Federal manpower programs but with the clear understanding that the prior objective of local responsibility for planning and administration inherent in Community Action Programs be safeguarded.

7. The Committee discussed at length the report on the Employment Service with the vice chairman and the executive secretary of the task force. We agree substantially with the recommendations of the task force, with these differences in emphasis or direction:

   a. The Secretary of Labor should have more latitude with regard to withholding funds if Federal standards are not met by the States.

   b. There should be only one Advisory Committee with two subcommittees, one of which would be concerned exclusively with the Employment Service. Neither the subcommittees nor the Committee should become operational but each should be free to publish annual reports.

   c. The Employment Service should be financed in whole or in part by general revenues; the ES is an integral facet of Federal manpower programs which are themselves financed by general revenues.

   d. The special obligation of the ES to reach out to handicapped groups should be stressed, but this emphasis should not preclude the Service from helping workers with skill and professional competence.

8. The Committee approved in principle the staff paper concerned with the establishment of a training institute (a term preferable to "academy") subject to the focus being narrowed. Such an institute should attempt to provide the operating and staff personnel of the Federal-State-local agencies with a deeper understanding of the expanding national manpower programs. Such an institute should, if possible, be developed in cooperation with HEW and OEO and joint financing might be desirable. The institute should assiduously avoid competing with universities in the education of manpower specialists.

9. The Committee affirms strongly the desirability of the shift in MDTA in placing more stress on designing programs to meet the specific needs of the hard to employ. On the basis of what we learned about current budgeting trends, numbers in institutional training classes, and rising costs per student, we strongly urge the Departments of Labor and HEW to keep a close watch on the changing economic situation in order to make further adjustments in their programs in response to changes in the demand and supply for different types of workers.

10. With respect to the problems of attracting and holding an adequate supply of qualified teachers to meet the needs of the expanded training programs for the hard to employ, the Committee recommends to the Secretary of HEW that:

    a. The number of staff personnel in Washington assigned to manpower programs be increased.

    b. The Department speed up its collection of data with respect to teacher supply and demand.

    c. The Department intensify its efforts to stimulate and expand appropriate training programs for teachers for specialized groups.

    d. The Department review how the conditions governing the certification of teachers, their employment and payment might be made more realistic and competitive.

The Committee believes that weakness on the teacher front will result in the waste of large amounts of Federal funds appropriated for manpower programs.

Once again I want to tell you and Secretary Gardner that the members of the Committee welcome the opportunity to be of assistance in an area of such overriding national importance.

Sincerely,

[Signed]

Eli Ginzberg

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CONSERVATION OF HUMAN RESOURCES
COLUMBIA UNIVERSITY
NEW YORK, N.Y. 10027

11

ELI GINZBERG, DIRECTOR

April 7, 1966

The Honorable W. Willard Wirtz
Secretary of Labor
Washington, D.C.

Dear Mr. Secretary:

I am setting out below the recommendations that emerged from the deliberations of the 11th meeting of the National Manpower Advisory Committee which was held on Friday, March 25, and which was preceded on Thursday afternoon by a meeting of the chairmen of the regional committees. While we were sorry that it was not possible for you to be with us on Thrusday evening, we appreciated your joining us on Friday to give us your evaluation of present trends and the future directions of the manpower program.

1. The Committee believes that the two-pronged objective of the Manpower Development and Training Act during the coming year—to help the seriously disadvantaged train for jobs and to expand shorter training programs, to relieve immediate skill shortages, with primary emphasis on on-the-job training—is sound. If the present ceiling of 25 percent for youth interferes with the optimal use of your resources, we suggest that the Solicitor's opinion be sought as to whether the 8 percent or so of young people who receive adult allowances can be shifted out of the "youth" category.

2. The Committee believes that early action should be taken to aline the incentives currently offered to out-of-school youth in the Neighborhood Youth Corps and MDTA programs. Specifically, we recommend that this alinement be sought either:

   a. By having the Office of Economic Opportunity pay a partial allowance to its graduates who enter MDTA in an amount to assure that there is no net reduction in their total allowance after the transition.

   b. Raising the allowances in MDTA for those who had previously completed NYC.

   Unless such action is taken many who have completed NYC but who need MDTA will hesitate to enter it. In this connection, we suggest that the Administration consider broadening the scope of NYC to enable young people to receive some remedial educational and prevocational training.

3. With respect to Youth Opportunity Centers, the Committee hopes that the Department will seek to improve the linkages between the counseling and evaluation services provided by these centers

and the flow of young people into appropriate training and/or employment opportunities. In this connection it recommends that:

a. The availability of appropriate training opportunities be kept under constant surveillance, and when necessary, steps be taken to create multi-occupational programs.

b. The centers be encouraged to devote a significant proportion of their resources to job development efforts.

c. Close liaison be established and maintained between the centers and the Employment Service so that full advantage is taken of employment openings in areas outside the region.

4. The closer training opportunities are linked to employment, the more likely it is that training will prove effective. Therefore, the Committee recommends that the executive branch seek to amend existing legislation so that under appropriate administrative safeguards, private employers might be encouraged to offer work opportunities to handicapped youth and be recompensed for special expenses incident to creating such opportunities.

5. We believe that one of the most constructive long-range benefits from MDTA and the other manpower and manpower-related programs is that it brings into visibility human needs that have previously been ignored. In this connection, the Committee recommends that the Department request congressional approval for an experimental program for the training of prison inmates which will pay them an amount that will permit them to enter the program without loss of income from work opportunities currently available to them; and which will enable them to accumulate a sum of up to $500 to be paid to them in installments after their release from prison.

6. The Committee views with favor the expenditure of limited amounts of MDTA funds to buy health services, including physical examinations, for potential and active trainees when suitable governmental and philanthropic health services cannot be secured through referral. A ceiling of $100 per person should be placed on such expenditures; and the expenditures should be undertaken only when a determination has been made that they can contribute directly to trainability or employability.

7. After an extended discussion of the use of MDTA as an instrument for upgrading in a period of skill shortages, the Committee concluded that:

a. It does *not* favor the use of the limited MDTA funds for subsidizing such training.

b. It does *not* see how MDTA funds could be effectively used to increase significantly the numbers entering apprenticeable trades.

c. It believes that the best use of departmental funds could be made by securing congressional approval for the establishment of a Technical Training Advisory Service through which the Department could provide technical services to employers and otherwise stimulate the expansion of training and the more effective utilization of skills.

d. It further recommends that the Department prepare a paper on the "Federal interest" in apprenticeship, including the possibility of Federal subsidies, and that this subject be placed on the agenda of the Committee's next meeting.

e. In view of the important role of the defense industry as a bidder for and user of skills; the desirability that workers in these industries have sufficiently broad skills to speed their absorption in other parts of the economy in the event of fluctuations or cutbacks in defense contracting; and through the influence that the Federal Government is able to exert with respect to these companies, the Committee recommends that the Department of Labor, in association with the major contracting agencies, explore the potentialities for broadening and deepening the role of these defense industries (including Government and quasi-governmental firms) with respect to apprenticeable trades and upgrading.

f. Because of the contradictory information with respect to the number of qualified young people manifesting an interest in entering upon an apprenticeship, the Committee strongly recommends that the Department of Labor review this facet of the problem, and make its findings and recommendations public as soon as possible as a guide for management, labor, and other concerned groups.

8. The Committee received a series of recommendations from its Panel on Counseling and Selection. It decided:

a. To transmit these recommendations to the Interagency Committee requesting an appraisal prior to the next meeting of the NMAC.

b. To inform the panel of its preliminary discussion during which the following points emerged:

(1) The danger of the panel's failing to recognize fully the persistent and widening gap between the demand for and the supply of counseling personnel, and its failure to address itself to realistic remedies.

(2) The necessity to recruit and train (probably through short courses) individuals with knowledge of special groups of disadvantaged people, particularly those in urban slums and in rural areas who need counseling.

(3) The potentialities inherent in utilizing professionally trained counselors more effectively by concentrating on the education and training of larger numbers of counselor aides, and instituting a program of career progression that would facilitate upgrading.

9. In accordance with the recommendation of the Department of Labor, the Committee is referring the the Department's proposal for a training institute to its Subcommittee on Training which will consider it at its next meeting and will report back to the NMAC before June 24.

10. The Committee was briefed about the last meeting of its Subcommittee on Research which had been focused on a critical discussion of cost-benefit approaches to training. It was pleased to learn that the Department has started a small evaluation unit in the Office of Manpower Policy, Evaluation, and Research to conduct such studies, but it is concerned about the dangers in an approach that seeks to quantify variables for which statistical data are frequently not available or deficient. We strongly favor the Department's pursuing every approach to determine how it can best spend its limited funds to accomplish the expressed and implied objectives of governmental training programs but we caution against any mechanical-quantitative approach.

11. The new Director of the Employment Service indicated his interest and desire to cooperate actively with the Committee and its regional advisory committees; to explore how the regional advisory committees might serve as a vehicle for energizing and providing better direction for various State advisory committees, many of which even after almost 4 years of MDTA are still not operating satisfactorily; and in other ways to use the national and regional manpower advisory structure to help redirect the operations of the Employment Service toward the newly defined objectives.

12. We have long been aware of the need for a higher degree of coordination of manpower programs at the local level; consequently, the recent action to establish three-men Federal coordinating teams in 30 key areas and the speedy activation of many of these teams met with approval. We hope that after these teams gain experience, they will not only facilitate coordination between local areas and Federal agencies but will also smooth the relationships among Washington, State agencies, and the local community. Since the Department of Labor is setting out to encourage the development of State manpower plans, long-range, effective coordination must be maintained between Federal agencies and State as well as local government. The fact that OEO through technical assistance units is now represented in each State capital, as has long been the case for HEW and Labor, should facilitate broader cooperation.

13. With regard to State manpower plans and present and prospective decentralization to the States of responsibility for approving training projects, the Committee recommends that the Department of Labor continue to work toward a high degree of decentralization, assuring, however, that the several States do not neglect the needs of any handicapped group, and that training programs are approved in terms of priority of need and potential accomplishment rather than in response to other possible considerations.

14. The Committee recommends that the Department of Labor review with other appropriate agencies the training needs of the Indian population in various parts of the United States. They must not be neglected because the local community does not know how to mount such a program. We have alerted our own regional committees to this problem and have encouraged them to spark more local leadership if it appears to be indicated.

15. We were particularly gratified to learn that provision has been made for the appointment of part-time consultants to the chairmen of its regional advisory committees. This will enable the several regional committees to make much more effective use of Federal and other resources available within their regions in delineating and evaluating important manpower issues, and in assisting appropriate action agencies to move rapidly ahead to find constructive solutions for regional problems.

16. The Committee recommends that, with the potential availability of supporting personnel for the chairmen, the Department consider how the regional advisory committees might be used more effectively to help disseminate information concerning various departmental programs.

I apologize for the length of this letter but, as you see, we covered a large amount of ground. We all hope that this summary will be of help to the hard-working members of your staff and to you. We consider it a privilege to continue to serve as your advisors in this important national effort.

Sincerely,

[Signed]

Eli Ginzberg

CONSERVATION OF HUMAN RESOURCES
COLUMBIA UNIVERSITY
NEW YORK, N.Y. 10027

ELI GINZBERG, DIRECTOR

12

July 6, 1966

The Honorable W. Willard Wirtz
Secretary of Labor
Washington, D.C.

Dear Mr. Secretary:

I am pleased to send to you the major points that emerged from the discussion of the National Manpower Advisory Committee at its 12th meeting. First, however, I want you to know that all the members were pleased that you were able to be with us, despite your busy schedule, both early in the meeting and at lunch. Your presence and participation always adds something special to the morale—and productiveness—of the Advisory Committee.

The key recommendations of the Committee follow:

1. We strongly support the Nelson-Scheuer bill. We believe that even with successful training programs, there is another dimension to finding jobs for all who want to work, which involves the creation of jobs for people of limited skill and education.

2. Following the resolution of our Subcommittee on Research, we urge that the Department of Labor, in cooperation with the Departments of Agriculture, Commerce, and Health, Education, and Welfare and the Office of Economic Opportunity, hold a Conference on Rural Manpower, which will aim at identifying new policies and programs to reduce the large-scale waste of human resources in rural America. Since the economies of the farm, rural nonfarm areas and the central cities are linked through the migration of rural workers into the cities, the scope of the planning should be broad rather than narrow. The volume, tentatively entitled "A Policy for Farm Manpower," being prepared under the auspices of the Office of Manpower Policy, Evaluation, and Research (OMPER) by Professor Bishop, should serve as background material for this conference. It may be possible to incorporate within this conference the request made by the nonfarm employers' association for a comprehensive study of the future demand and supply of farm labor.

3. We are recommending to our Subcommittee on Research that they work out with OMPER the preparation of several "think pieces" by leading members of the economics profession on the criteria to be used in assessing the scale and scope of the total training efforts in an advanced technological society. These papers would then serve as a basis for discussion for the members both of the subcommittee and the National Committee. This recommendation was the result of our exploration of the agenda item, "The Federal Interest in Apprenticeship."

4. In connection with this theme, the Committee strongly urges that if the present draft policies are *not* significantly altered so that they will reduce, if not eliminate, the gross inequities which result in deferring from military service a much higher proportion of college than noncollege youth, then the

Government should insure that young men pursuing regular courses of skill instruction be granted the same opportunity for deferment until completion of their studies that is now offered college students.

5. Following its lengthy discussion of the problems of coordinating manpower programs at the local level, the Committee voted to establish the first Joint Subcommittee on Coordination, under the chairmanship of Dr. Harold Taylor, Chairman of the North Central Regional Committee. Dr. Taylor, with Mr. Caples and Dr. Henderson of the National Committee, and Dr. Robb, Chairman of the Southeastern Regional Committee, will constitute the subcommittee and will assess alternative approaches to the problem of coordination. They will submit a report for discussion at the 13th meeting of the National Committee, which has been scheduled for September 29. We have asked the Manpower Administration to work out staff support for the subcommittee.

6. Upon the recommendation of its Subcommittee on Training, the Committee approved the proposal of the Department of Labor to establish a manpower training institute. We believe that the efficiency with which present and prospective manpower programs are implemented depends principally on the understanding and skill of those responsible for carrying out the several programs. We believe that a manpower training institute could make a significant contribution to raising the level of skill of individuals concerned with manpower programing. Our only caveat with regard to this plan is that the Department refrain from engaging in activities which universities are better equipped to perform.

7. With regard to the complex problem of "outreach," the Committee's conclusions were:

   a. The Federal Government is on the right track in directing roughly two-thirds of next year's MDTA funds to increasing the employability of the hard to employ.

   b. If the hard to employ are to find jobs, outreach is a necessary but not sufficient approach. This is one reason for our strong support for the Nelson-Scheuer direct employment bill.

   c. Since many governmental and nonprofit agencies are in direct contact with hard-to-employ potential trainees, the Employment Service should attempt to work out an arrangement with these agencies to facilitate referrals. Cost reimbursement for referral services should be considered. Moreover, these and related agencies may be able to provide necessary rehabilitative and supportive services for persons potentially acceptable for training and employment. Again, cost reimbursement to these agencies may make it possible for the Employment Service to broaden and deepen its assistance to these groups.

   d. If Congress fails to pass the Nelson-Scheuer bill in the near future, the feasibility of the Employment Service's meeting its new goals will hinge on private and nonprofit employers' agreeing to accept reasonable numbers of the hard to employ after they have been trained and/or after they have received other forms of special assistance. The success of such an effort requires immediate planning at the local level with strong local leadership. Such "job opening campaigns" should be modeled after the efforts undertaken in communities which have good records of directed employment expansion for the hard to employ.

8. Since in parts of the country local practices still tend to deprive minority groups of full access to benefits provided by the Employment Service, the Committee is recommending to the chairmen of

its Southeastern and Southwestern Regional Committees to focus on this problem, and to consider the advisability of holding a joint meeting with maximum visibility when the facts which they have gathered are in hand and have been analyzed.

9. We were impressed with the success of various MDTA pre-apprenticeship programs, and we strongly urge the Department to expand this approach to the limit of the absorptive capacity of different localities.

10. The Committee was pleased to learn that its Subcommittee on Research sees a growing effectiveness in the Department's research program and stands ready to assist the Department in seeking funds for a larger research program, which we believe will yield significant benefits.

11. The Committee had asked the Interagency Task Force on Counseling and Selection to review the recommendations of its Panel on Counseling and Selection, but since the report dealt primarily with administrative rather than substantive issues, we took no action.

12. Responding to your discussion of the statistical difficulties of illuminating the meaning of employment and unemployment in our present complex economy, we strongly urge the Office of Manpower Policy, Evaluation, and Research to explore with its Subcommittee on Research improved ways of conceptualizing and measuring the problem of unemployed and underemployed human resources and to consider whether our categorical manpower programs for different groups, from young people to older workers, provide the most effective approach.

I would like to note the Committee's appreciation for the constructive services of Messrs. Upshur Evans and Felix Larkin, who have completed their tours of service, and its welcome to its new member, Dr. Vivian Henderson.

We hope that it will be possible for you to spend some time with us at our September meeting, particularly on the afternoon of September 29, when the question of the coordination of manpower programs will be the principal item on the agenda.

Your kind words about the hard-working members of the Committee were greatly appreciated, and you can look forward to our continued wholehearted cooperation.

Sincerely,

[Signed]

Eli Ginzberg

CONSERVATION OF HUMAN RESOURCES

COLUMBIA UNIVERSITY

NEW YORK, N.Y. 10027

ELI GINZBERG, DIRECTOR

October 6, 1966

The Honorable W. Willard Wirtz
Secretary of Labor
Washington, D.C.

Dear Mr. Secretary:

I am listing below the major recommendations emerging from the 13th meeting of the National Manpower Advisory Committee, which was held on September 30. The members of the National Committee had met with the chairmen of the regional committees on the preceding afternoon when they reviewed a report on "Coordination of Federal Manpower Programs," prepared by a joint national-regional subcommittee composed of William G. Caples, Vivian W. Henderson, and Felix C. Robb under the chairmanship of Harold C. Taylor.

1. On the question of coordination, the National Committee recommends that:

   a. The Employment Service establish manpower service centers in all target areas, particularly in the large cities, strategically located to provide a point of contact for all people within the area seeking employment or training.

   b. A manpower service center should preferably be a unit within a neighborhood center which can provide a range of employment-related services such as health, records, day care, and which can also supply a set of tools etc. Such a neighborhood center may be financed under the Community Action Program, HUD, State or local government funds, or by nonprofit organizations. We believe that it is important that the financing and staffing be such that once contact has been made with a hard-to-reach client, he will not be lost in the shuffle, but will have the opportunity to obtain all of the services he requires to become employable. This does not mean that a center itself will necessarily or usually provide all of these services, but that it will serve as the major point of contact and will plan for and oversee the client from initial contact to when he obtains a job, including followup if indicated.

   c. The Employment Service should establish in each labor market area—and in large metropolitan centers in major subdivisions—a manpower training, planning, and programing unit which, with the assistance of a technical advisory committee composed of representatives of management, labor, and the public, will determine the range and types of training programs that are required to meet the foreseeable needs of the area for each year (modified semiannually).

   d. The Federal funds for manpower training available tc the several departments and agencies, particularly Labor, HEW, and OEO, should be released to each community for programs approved initially by the manpower training, planning, and programing units, after they have been reviewed and approved by Federal officials.

e. These manpower training, planning, and programing units should assume responsibility for assessing the training potential in their areas in order to identify major deficiencies in facilities and other resources available to the target populations and to explore methods for closing the gap. In our opinion, much of the concern about poor coordination masks an even more serious problem—a discrepancy between training needs and facilities.

f. The foregoing recommendations can be implemented now. However, we believe that the more effective use of the Federal dollar for training will require more forward financial commitments by Congress to avoid the wasteful start-stop cycle. The lead time approved for the training programs of the National Institute of Mental Health might be taken as a model. It is further recommended that Congress consolidate the funding of various manpower training programs so that only one department is charged with the responsibility for overseeing a particular type of training effort.

2. The foregoing recommendations are concerned with improving the present structure and operation of the multifaceted Federal manpower training programs that have been established during the past few years. Since this new structure has grown without much plan or design we believe that the time is now ripe for you, after consultation with the Secretaries of Defense and HEW, and the Director of OEO, to appoint a top-level nongovernmental Task Force on Training (similar to the Task Force on the Employment Service) which would be charged to consider such questions as:

   a. To what extent does the United States now have the range and quality of training capacity required to maintain a dynamic economy operating at a high level of employment?

   b. What is the appropriate division of responsibility between the private and the public sector for the training effort?

   c. How can the various types of training programs within the two sectors be effectively dovetailed?

   d. How should manpower training for the out-of-school population be related to vocational and technical education?

   e. What criteria can be used to determine the scale and scope of the training capability required; and how should this capacity be divided among on-the-job, apprenticeship, institutional, and other forms of training?

3. The Committee was impressed with the balanced treatment of the report prepared by Professor Ray Marshall on *The Negro and Apprenticeship.* The Committee strongly recommends the early publication and dissemination of this study; we further recommend that the Department of Labor consider the feasibility of introducing those changes within its own cognizance which are suggested and consider calling a working conference of the key groups involved in order to accelerate implementation of the other recommendations.

4. The Committee noted the desirability of broadening the focus of many inquiries and projects from a preoccupation with the Negro minority to a concern with other minorities as well, particularly the Mexican Americans in the Southwest and West, and the large numbers of low-income, poorly educated whites. Many of the barriers militating against the full development and effective utilization of the potential and skills of the Negro community have counterparts in the hardships facing these other groups.

5. The Committee discussed the desirability of encouraging the greater participation of community leaders in local manpower training efforts. Traditionally much philanthropic money and effort has been funneled into welfare and health activities without sensitivity for the interrelations between these activities and employment. We do not believe that there is any *single* way of moving toward this objective. However, the Departments of Labor and HEW, and the OEO might consider calling a working conference for representative leaders of business, labor, and community welfare agencies which would be focused specifically toward increasing the participation of the "local power structure." Such a conference might benefit if a specialist in community relations were to review critically the factors that have operated in the past to retard or facilitate local participation and were to prepare a limited agenda for removing the barriers.

6. In response to your specific question as to whether the Federal Government should respond to racial disturbances in various cities by increasing MDTA funds, we believe that such a response would be an error, since it would penalize communities which are attempting to keep local situations from exploding. However, it would be desirable for the Department of Labor to analyze the amount of training and training-related funds that were made available in the 12 or 24 months preceding serious outbursts in particular communities and to assess these expenditures in relation to unmet needs. Such an assessment might prove useful to the congressional committees involved in future appropriations and it might provide guidance to the executive branch in the allocation of available funds.

7. In reacting to your remarks concerning the need for more information about the employment and employment-related conditions of ghetto populations, the Committee strongly urges you to obtain funds in order to explore how such detailed information could be obtained and how it could be kept current. Since the Federal Government spends such large sums aimed at the economic and social rehabilitation of disadvantaged populations, it should have more sound factual data to guide its programing.

8. Our Subcommittee on Research forwarded the following recommendations, which we endorse:

   a. It would be desirable to move still further in the direction of making the Secretary of Labor's section of the *Manpower Report of the President* more of a policy document rather than a staff effort. Greater selectivity and an emphasis on a limited number of critical manpower issues would be desirable.

   b. The research funds of the Department of Labor, under title I of MDTA, have been carefully husbanded and used. We believe, however, that the Office of Manpower Research must have more funds at its disposal if action programs are to be informed by new and sound knowledge. We therefore stand ready to use our auspices to make these views known to the Bureau of the Budget and particularly to the Congress so that additional financing for manpower research can be assured.

   c. Additional efforts should be directed to popularizing the solid contributions of research. We commend the current efforts to increase the participation of leading academicians in the research work of the Department through assignments on sabbatical years and through other devices.

   d. Our subcommittee advised against the Department's seeking to obtain university training of a generic "manpower specialist." The universities should continue to educate and train specialists in the principal disciplines—economics, law, sociology, psychology, and the Department, through its own Institute, should focus on short-run courses which stress operational requirements.

9. After considering the recent revisions of the minimum wage legislation, the Committee recommends that the Department approve training programs which meet the following conditions:

   a. Graduates are likely to be employed in jobs which pay at least the minimum wage of $1.45 per hour.

   b. Where the legal minimum is less than $1.45 an hour or there is no legal minimum, the graduates are likely to receive at least the prevailing wage plus one-third.

   c. Special programs for the severely disadvantaged who can profit from training but whose short-run productivity might still be below the above wage standards should be approved only on the basis of special exceptions by the Manpower Administrator.

All of the Committee members, including the regional chairmen who were present, were pleased that you could be with us at our meeting. We look forward to having you with us for as much time as your schedule will permit when we next meet on Friday, December 16.

Sincerely,

[Signed]

Eli Ginzberg

CONSERVATION OF HUMAN RESOURCES
COLUMBIA UNIVERSITY
NEW YORK, N.Y. 10027

ELI GINZBERG, DIRECTOR

14

January 4, 1967

The Honorable W. Willard Wirtz
Secretary of Labor
Washington, D.C.

Dear Mr. Secretary:

I am listing below the highlights of the 14th meeting of the National Manpower Advisory Committee which was held on December 16.

Sargent Shriver attended the meeting and participated actively in the discussion; therefore we had senior representatives from Labor, Health, Education, and Welfare, and the Office of Economic Opportunity.

The day's deliberations focused primarily on the manpower problems of the ghetto. We reached the following conclusions:

1. On the basis of the preliminary findings of JOBS NOW, more attention should be devoted to convincing the business leadership in local communities to restudy their hiring, assignment, and promotion policies in order to make more room at the bottom for the hard to employ. It appears unlikely that without the cooperation of local business leadership, Government programs, even if liberally financed, can accomplish a great deal. Mr. Walter H. Wheeler, Jr., chairman of the board of Pitney Bowes and a member of the Federal Council on Employment Security, attended the morning meeting and supported this conclusion on the basis of his experience in the Stamford, Connecticut area.

2. In addition to private employers, Federal, State, and local governments, as employers, should make special efforts to open opportunities in their work forces for the hard to employ.

3. Too little information is available about the number of ghetto dwellers who need jobs and other services. Since the several levels of government are investing ever larger sums in preventive and rehabilitative services in ghetto areas, it is critically important that the exploratory efforts that are under way to gather more reliable and more current information about ghetto populations be extended and strengthened.

4. The Kennedy-Javits funds and particularly the funds made available under the Scheuer amendment should be concentrated in a few cities so that the efficiency of a targeted approach can be evaluated. The Congress and the Administration need to know whether such an approach holds promise of making a significant impact on the ghetto populations.

5. We assume that the Federal Government will make every effort to work toward the establishment of a single neighborhood center in ghetto areas. We see little prospect of helping seriously disadvantaged people through a multitude of agencies in a great many different locations.

6. In efforts to help the population in the inner city, the different programs should be structured and implemented in a way that will engage the participants themselves. Since the ghetto population suffers from alienation and lack of self-esteem, such programing can lower the barriers to their fuller participation in the community.

7. Although the problem of metropolitan transportation is not within your province or those of the Secretary of HEW and the Director of OEO, we strongly urge you to inform the appropriate Federal officials that the employment and reemployment of many of those who now live in urban ghettos can be accomplished only if new and imaginative ways are found to reduce or eliminate the transportation barriers which often effectively isolate jobseekers from jobs.

8. Mr. Shriver called attention to the costs of developing fully various *preventive* programs, such as Headstart, Upward Bound, and others which OEO has initiated. It is suggested that a comparable effort be undertaken by your staff to determine the costs of a more comprehensive effort at manpower development and utilization. In such an estimate expenditures should be balanced against anticipated returns from gains in employment, gross national product, and tax revenue. In addition, the costs of not launching and carrying out effective programs should be computed. Clearly, most of the manpower programs now being financed by the Federal Government are measures that were made necessary by earlier failures.

9. In addition to the guidance which would be provided from such an exercise to Federal officials concerned with forward planning, the data and interpretations would certainly help to explain to the American people the potentialities of an effort aimed at providing a job for everybody able and willing to work at a wage which would enable them to be self-supporting. We believe that greater community involvement, particularly of community leaders, rests upon a better understanding of the true costs of unemployment and poverty.

10. There was some difference of opinion between Mr. Shriver, who recommended an increase in welfare allowances so that more mothers could stay home and take care of their children, and some Committee members, who would prefer to transform Head Start into a nursery school for 8 hours so that more mothers could work. Since the ghetto child needs emotional support outside the home and since we believe that, where possible, parents should be wage earners, most members of the Committee favored the second approach. We do not subscribe however, to a position which would force all mothers of young children to work.

11. We noted that the budget for 1968 provides little additional money for programs aimed at helping the hard to employ. Despite the fiscal reasons, our Subcommittee on Training called attention to the vulnerability of such a position in the event that unemployment rises above its present low level. We urge early consideration by the Department of the changes that might be introduced into MDTA if such a trend were to develop.

12. On the basis of its evaluation of JOBS NOW and other programs aimed at the severely disadvantaged, our Subcommittee on Training recommends, and we concur, that the Department devote more research effort to uncovering the basic factors that condition the attitudes and behavior of the ghetto population, particularly young people, toward work. This is essential in order that costly programs may have a sound basis in fact.

The Committee also discussed the relations between education and the world of work. This discussion was based on a paper prese. ted by Grant Venn, the Associate Commissioner of Education for Adult and Vocational Education. We concluded that:

13. The Commissioner's position, which advocated introducing an important occupational orientation into all junior and senior high schools, is sound and should be encouraged.

14. Action aimed at increasing work experiences for junior and senior high school students, under the guidance and control of the educational authorities, is sound and should be encouraged.

15. We differed with Mr. Venn only with regard to his recommendation that the school authorities assume responsibility for the placement of dropouts and of those who earn their diplomas but do not continue their studies. We do not believe that most schools could discharge this function effectively and without restricting the options of students or prospective employers. We recognize the desirability of closer liaison between the Employment Service and the educational authorities, but we believe that the soundest and simplest way for the Employment Service to make a contribution to in-school youth is through expanded and improved guidance and testing services. Since the relation between the Employment Service and the educational authorities is of critical importance, we would be glad to have it on our agenda for a later meeting.

Our Committee discussed the recommendations of its Panel on Counseling which looked to the discharge of the Interagency Committee and to the establishment through legislation or by Executive order of a National Advisory Committee on Counseling. We disagree with both recommendations. We believe that it is desirable to maintain, in fact to strengthen, the capabilities of the Interagency Committee as a coordinating device. With regard to an advisory structure, we recommend that you explore with the Secretary of HEW, the Director of OEO, and possibly the Director of the Veterans Administration the establishment of a single advisory committee for counseling, either under our Committee or through some other suitable mechanism, with representation that would reflect the range of interests and concerns both of the several Federal agencies and of the trainers and users of guidance personnel outside of Government.

Our Subcommittee on Research, noting the lack of agreement about how best to proceed with the accumulation of vacancy statistics, stands ready to recommend outside experts who could help to resolve this issue.

The subcommittee recommends that the Employment Service seek to enlist the assistance of neighboring academic institutions where professors of economics and the other social sciences are interested in manpower research.

Our next meeting, at which the regional chairmen will be present, is scheduled for March 17. We hope that you will be with us for at least part of that meeting; we always gain direction from your incisive and insightful remarks.

Sincerely,

[Signed]

Eli Ginzberg

CONSERVATION OF HUMAN RESOURCES
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ELI GINZBERG, DIRECTOR

March 23, 1967

The Honorable W. Willard Wirtz
Secretary of Labor
The Honorable John W. Gardner
Secretary of Health, Education, and Welfare
Washington, D.C.

Dear Sirs:

The National Manpower Advisory Committee held its 15th meeting on March 17. On March 16 the NMAC, with Mr. Ralph Boynton in the chair, met with the chairmen of its regional committees. Also present were four chairmen of State advisory committees.

Set forth below are the major findings and recommendations emerging from our discussion:

1. In order to assure the more effective utilization of the regional manpower advisory committees, it was agreed that they would look to the newly established MAREC's (Manpower Administration Regional Executive Committees) for assistance in the development of agenda and the preparation of staff papers, and for followup of recommendations that bear on regional matters. Unless the Secretary of HEW has other preferences, the regional manpower advisory committees will look to the Regional Administrator of HEW for assistance and guidance with regard to matters of primary concern to HEW. Mr. Shriver will be asked to designate the appropriate official within OEO as liaison. It was agreed that while the regional manpower advisory committees would remain responsive to agenda items suggested by the Departments of Labor and HEW and to the NMAC, their primary focus henceforth will be on priority matters of regional concern.

2. It was the sense of the meeting that any actions that would aline the regional boundaries of Labor and HEW more closely and make them conform as closely as possible with the general schema recommended by the Bureau of the Budget would themselves represent a useful step in the improved coordination of Federal manpower programs.

3. Since the majority of the regional manpower advisory committees have been in existence for 2 years, and since the regional alinement should be accelerated, it appears desirable to institute a formal system of appointment of committee members. We recommend that members be appointed for a 2-year period with half of the committee completing its term annually. Reappointment of members should not prevent the infusion of new talent. When members are first appointed it should be indicated to them that in the event that they miss three consecutive meetings they are to inform the secretariat whether circumstances have arisen which make their continued service impractical.

4. The regional chairmen were pleased to learn of the Cooperative Manpower Planning System. They indicated that the ability of their committees to contribute constructively to this planning would be enhanced by effective summaries of the highlights of the major new or changed programs. They further recommended that in preparing instructions for next year, the Departments seek the advice and counsel of the regional chairmen based on their experience with the plan for the present year.

5. The NMAC has been pleased with the Manpower Administrator's preparation of its agenda. It recommends, however, that before such agenda are finalized, opportunity be provided for consultation with the Chairman to assure that issues considered of high priority by the members are accommodated.

6. Guided by the recommendations of its Panel on Counseling and Selection, the NMAC recommends that:

   a. The Secretaries accept with thanks for his devoted leadership the resignation of Dr. C. Gilbert Wrenn, the chairman of the panel since its inception, who has asked to be released by May 30.

   b. They disband the panel as presently constituted; that the Secretary of Labor disband the Advisory Committee on Counseling to the Bureau of Employment Security; that the Secretary of HEW disband the Advisory Panel on Counseling to the Office of Education and any other advisory panels on counseling within HEW; and that there be constituted a Subcommittee on Counseling and Selection of the NMAC that will be advisory to both Departments, with the understanding that the subcommittee might establish standing or special panels to deal with issues generic to each Department.

   c. Certain members of the groups to be disbanded will be selected to serve on the new subcommittee, and the membership of the subcommittee will include, among others, leaders of the counseling profession, individuals cognizant of the counseling needs of special groups, and individuals informed about the needs of the large governmental and nongovernmental users of counseling personnel.

   d. The Office of Economic Opportunity, the Veterans Administration, the Department of Defense, and any other Federal agency with a significant counseling program be invited to participate on a continuing basis in the work of the subcommittee.

   e. The Ad Hoc Interagency Committee on Counseling be turned into a permanent group, and staff support for the committee be provided.

   f. The Department of Labor publish expeditiously the report on career guidance prepared by a subcommittee of the Committee on Specialized Personnel (Robb, Boynton, Adelson); copies of this report be distributed to the new Subcommittee on Counseling and the Interagency Committee for review and the outline of actions that the NMAC might recommend, including new legislative programs to assure that the supply of counselors be more nearly in balance with present and prospective national needs.

7. The Committee received the report of the 14th meeting of its Subcommittee on Research which expressed its satisfaction with the progress that the Department of Labor is making in funding and otherwise supporting sound research efforts that are contributing to strengthening the Nation's manpower policies. As an outgrowth of the discussion of this report the NMAC recommends that:

   a. The Departments of Labor and HEW seek to prepare or have prepared through the use of outside consultants several *readable* accounts of the people who are being helped by the several manpower

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programs. The lack of such material is a deterrent to public understanding and support for the total national effort to strengthen our Nation's human resources.

b. The Departments accelerate their efforts to evaluate their several programs, using not only their own personnel, but also technical consultants, and summary reports encompassing these findings be prepared.

c. The Departments arrange for an early invitational conference on the subject of the "Journey of Youth Into Work" along the lines of the highly successful conference on farm labor directed by Professor C. E. Bishop. Such a conference should provide not only for papers prepared by outsiders, but for appraisals of the important lessons that are being learned from the multifarious governmental programs. The thrust of the conference should be on the strengthening of existing programs and the design of new ones.

8. With regard to the serious problems attendant upon the migration into the cities of poorly prepared rural people, the Committee points to the following:

a. The desirability of broadening perspective so that national programing will represent a balance between assisting prospective migrants and improving the conditions of rural life so as to stem the flow of potential migrants who are ill prepared for urban life.

b. Special attention should be paid to the accumulation of former rural inhabitants in small communities (rural nonfarm), their needs, and how they might better be met.

c. Although no final decision should be taken until the report of the President's Commission on Rural Poverty is available later this year, the Department of Labor might begin exploring the following possibilities:

(1) Eliminating the Farm Placement Service as an independent agency.

(2) Establishing within the Employment Service a special division concerned with the total employment needs of rural people (farm and nonfarm employment).

(3) Using the total resources of the Employment Service to help meet the employers' requirements for farm labor.

(4) Because of the large number of minority group members among the rural poor—Negroes, Mexican Americans, Indians—special and continuing efforts should be made to monitor the services that the Employment Service makes available to members of minority groups.

9. The following points emerged from the Committee's discussion of the draft:

a. From the vantage of manpower utilization, value will accrue from reducing uncertainty in career planning by inducting young people at 19 and indicating that those not drafted can make their plans with reasonable assurance of being able to carry them out.

b. Consideration should be given to the possibility of offering servicemen at the conclusion of their tour of duty the opportunity to pursue skill training within the military establishment, to the extent that capacity permits, to ease their absorption into the civilian economy in lieu of GI benefits which are used for training in civilian institutions.

c. The experience of the Department of Defense with the 100,000 "below par" servicemen should be carefully analyzed to discover whether the military environment might not have certain advantages over civilian institutions for the socialization and skill improvement of disadvantaged young men.

d. A decision on the desirability of deferments for college students must be made in considerable measure against the background of the needs of the Department of Defense for officer personnel and the alternative costs of securing such personnel. In the event that the present system of college deferments is maintained, the Committee reaffirms its earlier recommendation that the same right to deferment be provided young men in approved apprenticeship programs. Within the limits of military necessity, it would be desirable to introduce as much free choice as possible as to when a young man might enter the lottery or be called for service.

10. With respect to manpower planning to meet conditions after the reduction or cessation of hostilities in Vietnam, the Committee recommends that:

a. The Department of Labor undertake to learn as much as possible about the numbers, skill levels, location of persons presently employed in defense and defense-related programs who are likely to be dislocated.

b. Estimates be prepared, again by specific locations, of the secondary impacts on employment that are likely to follow the reduction or elimination of defense activities.

c. Particular attention be focused on the additional numbers of youth who will become available for civilian employment by virtue of a reduction in the size of the military establishment.

d. With improved knowledge of the supply of potential civilian workers, consideration be given to the effective demand for manpower, in number, skill, and location by programs that might be stimulated by the following actions of the Federal Government:

(1) Tax reductions.

(2) Tax sharing with the States (categorical and noncategorical).

(3) Expansion of the Model Cities effort.

(4) Expansion of priority programs in the fields of poverty, health, and education.

(5) Expansion of other programs with national priority.

11. With regard to the older worker, the Committee was aided in its discussion by a well developed background paper. The following represents its preliminary discussion on this important subject:

    a. We do not believe that the passage of legislation aimed at prohibiting discrimination based on age will go more than a small distance in meeting the job needs of older workers.

    b. Careful monitoring is necessary to determine the barriers, if any, in the way of older workers making use of the proportion of training funds allocated by the Manpower Administration to them.

    c. In determining the gap between the potential work force and the number of jobs available, account should be taken of the fact that large numbers of older people not presently in the work force would prefer to work if the opportunity existed.

    d. Present manpower legislation should be systematically reviewed to determine what types of amendments would assure that older persons have equal access to the benefits provided other groups.

    e. The process of exit from the labor force, like entrance into the labor force, involves such considerations as the availability of income from sources other than work; the desire and opportunity of older persons to pursue nonpecuniary activities (education and voluntary work) and their preference for part-time rather than full-time work. The Departments should review the research which they currently have under way or are sponsoring to determine whether more resources should be devoted to illuminating these complex interrelations.

    f. The subject of the older worker should be placed on our agenda just as soon as new information becomes available or new programing becomes imminent.

We hope that both of you can join us during the course of our next meeting, which is scheduled for Friday, June 23.

Sincerely,

[Signed]

Eli Ginzberg

CONSERVATION OF HUMAN RESOURCES

COLUMBIA UNIVERSITY

NEW YORK, N.Y. 10027

16

ELI GINZBERG, DIRECTOR

July 12, 1967

The Honorable W. Willard Wirtz
Secretary of Labor
The Honorable John W. Gardner
Secretary of Health, Educati[illegible]
Washington, D.C.

Dear Sirs:

I am pleased to forward to you the conclusions and recommendations which emerged from the 16th meeting of the National Manpower Advisory Committee which was held on June 23. Under Secretary Cohen and Assistant Secretary Ruttenberg were present as were the chairmen of the Mountain States, North Central, Southeastern and Middle Atlantic Regional Committees, and two coopted labor representatives of re[illegible]al committees, Messrs. Joseph H. Davis, President of Washington State Labor Council and Barney Weeks, President of the Alabama Labor Council.

1. We were encouraged by reports from the field about the gains that can be anticipated from the Cooperative Area Manpower Planning System of manpower planning which might be even more effective if early information could be relayed to the field covering training programs controlled by Washington, i.e., national contracts, experimental and demonstration projects, etc.

2. In order to assure improved coordination between the new programs being established by HUD and that relate to the manpower programs of Labor, HEW, and OEO, it was suggested that Secretary Weaver be invited to attend future meetings of the NMAC or to send a representative from his office. I will extend an invitation to him.

3. As a result of Secretary Cohen's discussion about the growing interest of key congressional committees in facilitating the employment and reemployment of large numbers of female heads of household now on relief, the Committee was impressed with the critical importance of the expansion of day-care centers. We therefore recommend that an *ad hoc* committee of representatives of HEW, Labor, and OEO be constituted to gather information about the size of the potential need, the alternative methods of meeting it, and the employment and related gains that can be anticipated from an expanded day-care program. Included in such a study should be the possibility of diverting some of the funds from related programs such as Head Start.

4. A great many women have found their way into employment but we believe that many more would be able to, thus helping to relieve important manpower shortages particularly in social services, if available counseling, training, educational and employment assistance were broadened and deepened.

5. The NMAC discussed again the undesirability of establishing income maintenance schemes without concomitant consideration of the availability of opportunities for individuals to work. Because of the paucity of information about "work incentives," we recommend that Labor, HEW, and OEO

carefully review their several programs, such as MDTA, NYC, and social security, in order to extract from them clues as to the interaction between money and work. This information would then be available to the committee to be appointed by the President to explore these matters in depth.

6. Secretary Cohen, who has recently made a short visit to the U.S.S.R. suggested that a manpower mission to that country might prove insightful and constructive. The Committee agrees and recommends that the suggestion be forwarded to the appropriate authorities in the Department of State.

7. The Committee noted the progress which is being made on the Concentrated Employment Program (CEP) and recommends that special efforts be made to maintain contact with those recruited and placed. The Department of Labor should institute followup procedures which will enable it to identify any failure in the preparatory, employment, and support process which appears connected with the failure of many of the hard to employ to get or hold jobs.

8. The Committee would like to be informed in the near future about the progress being made and the problems that remain involving the cooperative relations established on July 1, 1967, between HEW and Labor with respect to the operation of title V.

9. Since two-thirds of the Nation's labor force are employed in producing services and since on-the-job training historically has been centered in the goods-producing sector, our Committee requests that the key problems of on-the-job training for the growing service sector be set out and that the subject be placed on our agenda.

10. We recommend that when new amendments to MDTA are forwarded to Congress the current requirement of 1 year's work experience be waived with respect to female heads of household who meet other criteria and guidelines.

11. Major difficulties exist in creating growth opportunities for supporting personnel in various service areas, particularly health, education, and welfare. To facilitate the creation of opportunities we recommend that:

    a. The Departments of Labor and HEW work with the U.S. Civil Service Commission to review, with an aim of adjusting, standards for Federal hiring, assignment, and promotion to insure that the criteria reflect potential and competence rather than formal education.

    b. The results of successful actions taken by the Federal Government be disseminated to State and local civil service commissions.

    c. Amendment of the New Careers legislation be considered with the aim of enabling nonprofit organizations to participate on the ground that some of them may prove to be flexible and adaptable employers.

    d. The community health centers under OEO be carefully monitored since early reports suggest that they may prove to be one of the more successful efforts at restructuring a major service area to provide career mobility for the nonprofessional.

12. With respect to the Special Programs and Rehabilitation Under Unemployment Compensation (SPRUCE) proposal, our Committee concluded that:

    a. It would be desirable to provide retraining opportunities for regularly covered unemployed members of the work force who after a period of time (usually 5 weeks) are assessed as unlikely to be reemployed in their conventional line of work.

    b. It would be preferable to legislate eligibility for retraining as a right and that men undertaking retraining should be eligible to receive their unemployment benefits. But the more critical issue is that retraining opportunities should be available, even if through an expansion of MDTA or some other program.

    c. With regard to employers' contributions to financing retraining, we question whether increasing the payroll tax for this limited purpose is advisable; we would prefer that employer support for training and retraining programs be reviewed within the context of the whole new training structure in the United States that is slowly being constructed.

14. The Committee began, but did not complete, a consideration of the future of skill centers. Its deliberations pointed to:

    a. The desirability that Labor, HEW, OEO review their recent experience with the adequacy of training facilities for the hard to employ in the principal cities.

    b. A consideration of whether such centers can effectively serve not only the hard to employ, but also other adults who are employed and desirous of upgrading their present skills.

    c. The desirability of considering alternative methods of organizing and financing skill centers within the total public structure of general and vocational education and training.

    d. The need for an extended background paper encompassing the foregoing as well as other relevant facets. We would like to have the problem placed once again on the Committee's agenda in the near future.

15. The Committee noted the progress being made to implement its recommendation that the several advisory committees on guidance and counseling within Labor and HEW be disbanded and that a single, new, broadly representative committee be established to serve the entire Federal Government. Because of the continuing importance of guidance to the success of the Government's educational and manpower programs, we hope that the new committee will soon be activated.

The next meeting of our Committee will be held in the afternoon of September 28 when we will meet with our regional chairmen; on September 29 the NMAC will address itself to national policy issues. We hope that it will be possible for you to spend time with us on September 29.

Sincerely,

[Signed]

Eli Ginzberg

CONSERVATION OF HUMAN RESOURCES

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17

ELI GINZBERG, DIRECTOR

October 17, 1967

The Honorable W. Willard Wirtz
Secretary of Labor
Washington, D.C.

Dear Mr. Secretary:

I am pleased to report the major recommendations growing out of the 17th meeting of the National Manpower Advisory Committee, which was held on September 29.

1. The chairmen of the regional committees had met on the preceding afternoon and their several recommendations concerning the strengthening of State advisory committees, the rotation of membership, the flow of information about experimental and demonstration and research projects relevant to their areas, improving the collection of regional manpower data, and improving the flow of information to the public about new committee members were communicated to the Manpower Administration.

2. Our Committee approved the recommendation of its Subcommittee on Research that a working conference be held in the spring of 1968 to explore the dimensions of the problems involved in improving the transition from school to work. Princeton University has informally agreed to sponsor this conference.

3. With respect to the current congressional discussion of the establishment of a work-training program in connection with the social security legislation, we feel strongly that responsibility for the program should be in the Department of Labor. This would reinforce recent congressional effort to reduce proliferation of training programs.

4. With respect to the desirability of the Federal Government's using some form of subsidy to encourage the rehabilitation of ghetto areas, the Committee concluded that:

   a. All actions by the Federal Government directed to improving the ghetto should be designed so that they do not reinforce existing patterns of segregation. Rehabilitation of the ghetto should go hand in hand with deliberate efforts to facilitate the movement of people out of the ghetto.

   b. A primary aim of Federal policy should be to reduce the difficulties which ghetto residents encounter in finding jobs commensurate with their skills. Improved transportation is likely to open many more opportunities than is relocation of industries in ghetto areas.

   c. The location of large Federal operations--major post offices, tax offices, and the like--in or close to ghetto areas can contribute substantially to improving both the area and expanding job opportunities for its residents. The Federal Government should explore the possibility of joint action with State and local governments siting new buildings in these areas.

d. If programs for locating private enterprise in the ghetto are developed, special efforts must be taken to assure that the firms locating there can provide jobs which pay more than minimum wages.

e. Our discussions about encouraging industry to locate in or close to ghetto areas emphasized once again that no single program, whether it is directed toward improving education, training, housing, transportation, or industrial development, can much increase the employability of large numbers of ghetto residents. The ghetto is the result of many generations of neglect and deprivation and only a multifaceted approach aimed at transforming both the environment and the people has any chance of success.

5. Even if the long-range objective with regard to the ghetto is its destruction, it is essential for the short-run to reverse the forces of deterioration and decay. We therefore suggest that proposals to enable ghetto residents to participate in the rehabilitation of their own areas--and to be trained for and employed on such work--be carefully explored; and that projects which are instituted be carefully monitored so that the results can be appraised and incorporated into future planning and policy. We believe that because of the alienation characteristics of so many among the ghetto population, any plan for rehabilitation must be sensitive to the need to involve their representative in major roles.

6. From our preliminary exploration of these issues, which we plan to pursue at our December meeting when Dr. Bishop will report on the findings and recommendations of the Commission on Rural Poverty, we have concluded that there is urgent necessity for more long-range national planning with regard to the flow of migrants and potential migrants off the farm to the inner city. We see little or no prospect of significantly reducing the mismatch between people and jobs in the city without a control of the flows into the city and special efforts to facilitate the adjustment of in-migrants.

   Since many blue-collar jobs are now centered in the belts around the city where manufacturing and warehousing have relocated, every effort should be made to break down racial discrimination in housing which blocks minority groups from locating close to their employment opportunities. Our discussion of this and related matters was aided by the presence of the Deputy Under Secretary of HUD and we look forward to continuing liaison with that Department.

7. After the presentation of Dr. Grant Venn of the Office of Education, the Committee agreed on the following:

   a. The schools should assist young people to be ready for the world of work by the time they complete their studies.

   b. The advantages of experimentation along vastly expanded work-study and related programs.

   c. The desirability of closer liaison between school counselors and Employment Service personnel. The Committee did not discuss and therefore did not approve the proposal of Dr. Venn that it is the schools' responsibility to find jobs for young people and to follow them up after placement. On a previous occasion the Committee was doubtful about the feasibility of the schools' carrying out such a responsibility effectively.

d. While the Committee was sympathetic to Dr. Venn's contention that there is need for vastly enlarged resources for education, and vocational education in particular, it observed that:

(1) The schools are currently deficient in teaching basic skills to disadvantaged children.

(2) There is no evidence that their performance will be strikingly better if they obtain more resources.

(3) Major changes are required in the control and operation of schools, particularly those serving minority groups, before significant improvements can be anticipated. In particular, the parents of these children should share the educational planning and the training of teachers must be substantially modified.

(4) Our Committee believes that the direction of the schools in many parts of the country has long sought to reinforce existing racial and class relations. In general, the school does not aim to develop the full potential of minority group members; it prepares them to accept a second-place role in American society.

(5) Any increase in Federal funding of schools must be designed to weaken the political forces that have for so long succeeded in using the schools to perpetuate a bifurcated society.

(6) We believe that it is critically important to assure that any grant of special funds be associated with measuring devices to determine whether, and to what extent, the receiving institutions meet the objectives of the program.

8. The Committee received and approved the report of a combined study by its Southwestern and Southeastern Regional Committees on the progress that the Employment Service is making in these areas to free itself of discriminatory policies and practices. While significant advances are being made, we noted that wide areas remain where further improvements are called for. We request that you review this report and forward it for action to the agencies involved. In particular, we recommend that some evaluation device be developed that would enable the Federal Government to assess the rate at which discriminatory practices are being reduced or eliminated. If such a device can be designed, target dates can be set for the eradication of existing shortcomings.

9. After a review of the structure and operation of skill centers we concluded that:

a. A major objective of Federal training policy should be to assure that adequate training capabilities are established in all areas of the country as quickly as possible so that out-of-school youths and adults have the opportunity to be trained, retrained, or to improve their skills. Skill centers, by offering a variety of options, are in a better position to meet these objectives than are isolated training programs.

b. Although presently all skill centers are part of the established educational system, we believe that the objective of the Federal Government in this regard should be the establishment of effective centers which may or may not be within the established educational structure. This is a matter for local determination. When the educational system has demonstrated flexibility in meeting these

new training challenges, it would probably be best to keep the skill centers within the educational structure. But when the established system has been unresponsive, we believe that alternative arrangements should be encouraged.

c. We believe that the key to the effectiveness of the skill centers is the wholehearted involvement of local business and labor representatives. It is important that the centers produce the skills needed by employers; hence the need for more employer participation together with labor and community representatives.

d. Despite the limited amounts of Federal funds available for training, every effort should be made to allocate them in such a way that the number of skill centers is increased even if thereby the immediate costs are somewhat higher than the cost of specific training projects. We believe that higher initial costs, if they exist, will be justified by the improved training possible through center operations. Moreover, the existence of skill centers should facilitate obtaining contributions in the form of money and equipment from interested community groups. Every effort should be made to elicit and increase local participation in the support of skill centers.

e. We have suggested before that at the first opportune time you recommend to the Congress the desirability of forward funding of training programs, such as is done for the National Institutes of Health, to provide improved planning and operations. Start-and-stop programs resulting from inadequate lead time in financing are the most expensive to operate and are least productive.

10. The Committee was pleased to learn that the new task force on a national training policy is about to be activated. Among the issues which we hope the task force will consider are the following:

a. Is there any solid evidence that employers encounter special problems because of insufficient training?

b. To what extent are the training problems of the service sector quite distinct from those of manufacturing?

c. Could there be significant social benefits from larger efforts at training in which employers cooperate with each other? Would this require amending the antitrust laws?

d. What is the cause of the present shortage of apprentices in selected trades?

e. To what extent would there be national benefits from increasing the access of workers to increased and improved training opportunities?

11. We learned with pleasure that the Department of Labor has recently negotiated with private business to undertake on-the-job training for the disadvantaged on a contract basis. We are heartily in favor of this and recommend that further contracts be let, since we believe that much is to be gained by

eliciting the greater participation of private enterprise in the training and placement of the hard to employ. We assume that the Department's contracts provide for payments to contractors not only for training but also for finding jobs for the trainees. We recommend that consideration be given to bonus payments to contractors whose trainees obtain good jobs and hold them.

We regret that your absence from Washington made it impossible for you to be with us. We hope that your schedule will permit you to join us at our next meeting, which is scheduled for December 15.

Sincerely,

[Signed]

Eli Ginzberg

CONSERVATION OF HUMAN RESOURCES
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ELI GINZBERG, DIRECTOR

18

December 29, 1967

The Honorable W. Willard Wirtz
Secretary of Labor
Washington, D.C.

Dear Mr. Secretary:

I am pleased to report the findings and recommendations which emerged from the 18th meeting of the National Manpower Advisory Committee, which was held on December 15. All of the chairmen of the regional committees were in attendance as well as Messrs. Davis and Bussie of the West Coast and Southwestern Regional Committees, respectively, who had been specially coopted.

1. We were pleased to learn that the Congress, after long deliberations, had not significantly pared the appropriation requests for manpower programs for fiscal year 1968. The fact that these appropriations did not include increases implies the need for continuing efforts at improving the efficiency with which these programs are designed and implemented so that the Federal dollars can cover the optimal number of hard-core unemployed and underemployed. We did not have an opportunity to discuss the Department's experience with the Concentrated Employment Program but from earlier discussions we favor this approach.

2. We noted the opposition of Congressman Mills to the use of tax benefits for various social purposes including manpower training. This had been the conclusion of our Committee on the basis of earlier extended appraisals of the pros and cons of tax credits.

3. We were pleased to learn that instructions had been issued to the newly appointed regional manpower administrators to look to the regional manpower committees for consultation and guidance and that the recent freeze on funds for holding regional meetings has been lifted.

4. The action of the Congress under the social security amendments to place responsibility for work-training programs in the Department of Labor was welcome since it had been our conclusion that only through such action could a further proliferation of manpower programs be avoided. We noted that funds will probably be made available for operational research as this program gets under way; and we recommend that the Department of Labor accept the offer of our Subcommittee on Research to assist in developing a research capability in-house and particularly out-of-house to discharge this new responsibility effectively. The Subcommittee on Research reported to us that plans are advancing for a meeting to be held at Princeton this spring on "The Transition from School to Work," in accordance with the request of the President to explore this critically important arena. Our subcommittee also reported on the planning between the Department of Labor and the National Research Council aimed at recruiting a small number of young scholars to work in the Department on research problems. We strongly approve of this new effort and hope that it is one more step in bringing nongovernmental talent to bear on the study of complex manpower programs.

5. We discussed at various times during the day, including when you were present, the difficulties of getting private industry to play a larger role in hiring the hard core. Our Subcommittee on Training continues to see barriers estopping any large-scale increase in such efforts because of the many complex personnel and organizational problems involved therein, including productivity pressures, work discipline, overworked foremen, the limitations of the buddy system, etc. We believe that all levels of government have a responsibility to take the lead in the hiring of the hard core if the private sector is to launch a major effort. If government agencies experiment and succeed in modifying their personnel practices to accomplish this end, it would be easier to persuade industry to follow suit. While all of the aforementioned difficulties have a money cost attached to them—and while the Federal Government might seek to cover such extra costs for the private employer—we believe that unless it is demonstrated that these efforts can be carried out without seriously disrupting existing work relationships, business will remain reluctant to essay the attempt.

6. We noted that a major step has been taken by the Department of Labor to develop effective management data about its several manpower programs and that these data will be made available selectively to the several regional advisory committees to determine whether they might serve a useful purpose in pinpointing problems within the areas of these committees.

7. Our Subcommittee on Training made the following specific recommendations with which we concur:

   a. The importance of obtaining from the outset appropriate representation of the poor on the advisory committees for the Concentrated Employment Program.

   b. The desirability of built-in evaluation procedures from the outset in all experimental programs.

   c. The necessity of special efforts to take account of distinctive ethnic qualities such as among the Indian population in designing manpower programs.

   d. The importance of placing more stress on acquiring and retaining competent instructors in institutional training programs.

   e. The desirability of bringing the educational authorities into the planning as early as possible in training programs involving basic education.

8. We noted the sizable gap between the present staff of the Employment Service and the additional demands that would be placed on it in connection with the about-to-be-launched work-training program under the social security amendments. In previous meetings, when apprised of similar deficiencies in personnel, we recommended that the Employment Service contract for selecte as an interim measure until it is able to expand its work force.

9. We welcomed a representative from the Economic Development Administration of the Department of Commerce to our meetings for the first time and benefited from his formulation on the relocation of industry. It is clear that the efforts of the EDA to develop growth centers in various regions contiguous to depressed counties have implications for the location and expansion of manpower training efforts. Since in the past the rural poor—unemployed and underemployed—have not participated proportionately in manpower training efforts, we recommend that close and continuing liaison be established and maintained between the Departments of Labor and HEW and the EDA so that this population might be better served in the future. Our Committee expressed some concern that the approach being followed

by the EDA might result in the creaming of economic areas similar to that which we had noted in the selection of workers for training. The fact that the EDA is heavily involved in developing a forecasting model about economic activity and employment further underscores the desirability of a close liaison with the Bureau of Labor Statistics. Another suggestion arising from the discussion of the EDA is the desirability of accelerating to the maximum extent possible, research on regional manpower problems. This is a neglected area but we can ill afford to continue to neglect it.

10. Dr. Ross, the Deputy Under Secretary of HUD, who had met with us previously, presented the employment problems of people in the central cities. As an outgrowth of this discussion we became even more concerned about the necessity to improve transportation from the central city to the suburbs to bring men and jobs together and to find ways of enabling more of the ghetto population to obtain housing in the suburbs close to expanding jobs and to use Federal funding to help bring more public and private services to the ghettoes and thus help to expand employment in these areas. Our committee noted that with respect to these and other programs affecting the ghetto populations, it is essential to involve the local leadership in the planning and implementing of all plans. The greatest challenge is to encourage the people in the ghetto to play a more active role in advancing their progress.

11. Dr. Bishop, a member of our committee who had served as the executive director of the President's Commission on Rural Poverty, summarized for us the findings and recommendations of the Commission. Briefly, large numbers continue to migrate off the farms annually (750,000 this year); there is no power base or leadership among the 14 million rural poor; it is essential to attack the *conditions* as well as the consequences of rural poverty. The Commission's proposals stressed the importance of a more aggressive implementation of the Employment Act of 1946; of expanding minimum wage and other labor legislation to agriculture; of improving transportation and training programs to better match men with jobs. While we did not have an opportunity for extended discussion, there was general support for the Commission's views of the desirability of separating farm production goals from income maintenance policies; of guiding migration; and of recognizing that the market alone cannot be relied upon to assure these many millions of Americans opportunities for a constructive life.

12. The Southwestern Regional Manpower Committee, through Dr. Dugger, its chairman, and Mr. Bussie, reported on a recent meeting at Laredo, Texas, on the problem of Mexican-American immigrants with green cards who continue to live in Mexico but who come to work in the United States, frequently for a wage of only 25 cents an hour. It was the recommendation of the Southwestern Regional Committee that the Secretary of Labor request the Immigration Service to review semiannually the status of these green-card holders and to continue their rights to them only if their availability for employment is adjudged not to have an adverse effect on the wages of American citizens. Our Committee forwards this recommendation for your consideration and action. However, during our discussion we learned about the many facets of the border problem; we therefore also recommend accelerated data-gathering and evaluation so that a comprehensive policy can be developed, similar to that which guided the highly successful handling of the bracero problem.

13. Dr. Matthews of HEW presented an illuminating paper on the role of private schools in manpower training. The Committee learned of the growing interest of the Federal Government in using such facilities and recommends that instructions be issued to CAMPS and other actions taken that might further facilitate their use. We also recommend that more emphasis be placed on individual referrals for training as a way of enhancing the participation of the poor in programs of self-improvement. The Departments of Labor and HEW might explore the potentialities of transforming training opportunities for

hard-core unemployed into a modification of the GI bill whereby any authorized individual has the right to seek any type of authorized training for a specified period of time; we further suggest that this right to training might be tied into a system of a guaranteed job in the public sector if no private job exists at the end of the training period. This recommendation flows from our conviction of the importance of greater involvement of the people to be helped in the programs aimed at their improvement.

14. We contemplate that the March meeting, which will begin at dinner time on March 28 and continue through the 29th, will have no formal agenda but will be directed to a free wheeling discussion among the members of the Committee and the regional chairmen about 5 years of Federal manpower programs. We will follow up your suggestion and determine after consultation with your office whether it might be desirable to hold such an evaluation session outside of Washington to assure attention and participation. We hope that you can block this period on your calendar and that you will be able to be with us throughout the period or for most of it.

Sincerely,

[Signed]

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ELI GINZBERG, DIRECTOR

April 15, 1968

The Honorable W. Willard Wirtz
Secretary of Labor
Washington, D.C.

Dear Mr. Secretary:

I send you herein the highlights of the 19th meeting of the National Manpower Advisory Committee held on March 28-29 which was directed to a broad appraisal of the Federal Government's manpower programs:

1. The Committee approves the major efforts that are now being directed via the Concentrated Employment Program and the Job Opportunities in the Business Sector Program to open jobs in the private sector for the hard to employ. It calls your attention, however, to the following aspects:

   a. The danger of "overselling" this approach to the ghetto community. There may be many difficulties in getting business to open a large number of meaningful jobs within a short period of time for the hard to employ and equal difficulties in assuring that the hard to employ will be able to hold such jobs.

   b. The desirability of involving the local, State, and Federal governments in this program so that they could play a constructive part in putting the hard to employ into useful jobs. All levels of government combined represent by far the largest employer in the country.

   c. The need to recognize that even without special training, many ghetto unemployed and underemployed want and are able to take good paying jobs that are now open in the private economy, but do not have access to them in terms of housing and/or suitable transportation. This means that all levels of government must continue to press energetically to remove these other barriers to employment while expanding training and job opportunities.

   d. The danger of the Federal Government's focusing exclusively on the hard-core unemployed with the consequence that not enough resources may remain to train or retrain others who, without help, may become hard core. In addition, it is possible that some of the hard core may be so seriously disadvantaged that they cannot be fitted into the private economy even if liberal subsidies are made to employers. These people may be capable of working only under sheltered conditions.

   e. Since there are not enough jobs for all who live in the ghetto who are unemployed or underemployed, it is difficult to know whether the current emphasis on training masks a need for more jobs. However, even if there were jobs for all who want and are able to work, there would still be a requirement for training to provide opportunities for the many who want to add to add to their skills in the hope of advancing up the job ladder.

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2. In our discussion about the expanded effort to involve business in providing training and jobs for the hard to employ, the following additional factors emerged:

   a. A high proportion of all Negro youth now entering the labor market are poorly prepared for good jobs. This difficulty is compounded by discrimination in employment, artificially high requirements, the absence of career ladders, and the insufficiency of training opportunities for those currently employed at the lower end of the job structure.

   b. The climate of hostility and despair in the ghetto is deterring many Negro youth from accepting opening jobs that might eventually lead them to better positions. Many young people have lost faith in the "American dream" and are not taking advantage of opportunities that are available.

   c. This negativism is reinforced by the fact that the economy of the ghetto, about which we actually know little, offers quasi-legal income-earning opportunities that in the eyes of these young people are clearly preferable to most jobs for which they qualify.

   d. The necessity for a "climate of renewal" in the ghetto is antecedent to and concomitant with changing the widespread negativism that now characterizes the attitudes and behavior of ever larger numbers of the ghetto population with respect to jobs and work. Among the possible ways that such a climate might be achieved is through linking ghetto improvement and rehabilitation projects with expanded employment opportunities. Specifically, consideration might be given to ways in which unemployed and underemployed men could be given jobs and training in rehabilitating residential and business and public buildings in the ghetto areas. Any such program should have as one of its objectives the upgrading of Negroes to higher levels of skill, including foremanship and entrepreneurial functions.

   e. While the Federal Government's efforts to increase the number of Negro males on CEP programs are commendable, we noted that, since 1 out of 5 Negro families is headed by a woman, training programs that contribute to upgrading the skills and increasing the income of women are beneficial and should be encouraged.

   f. Many ghetto youths have a mistaken view of prevailing wage levels. They assume that a good job pays $3 to $4 an hour and they are disinclined to respond to offers of employment which carry wages much below this level. Encouraging schools to provide more occupational orientation and better counseling might help to reduce such misconceptions.

   g. We were pleased to learn of the initial followup of the President's proposal of last year to focus more closely on the transition from school to work. Specifically, we recommend additional steps aimed at rapid expansion of work-study programs. We recognize that the constraints on such expansion may lie more with work opportunities than with money. For this reason we stress the desirability of encouraging the participation of governmental agencies that employ large numbers of both white- and blue-collar workers.

3. With respect to the question of the scale of Federal funding for manpower programs, the Committee concluded:

   a. The present budget, with an increase of approximately $500 million, represents about the right order of magnitude of change for the programs focused specifically on the hard to employ. It is hoped that this contemplated increase will survive the budget cut that looms ahead.

b. If additional financial resources become available they should be devoted to increasing the present scale of effort in the following programs:

(1) Neighborhood Youth Corps–in school, out of school, and summer.

(2) MDTA–part-time for upgrading low-income earners.

(3) MDTA–institutional and on-the-job training for members of the labor force who could profit from skill training even if they are not disadvantaged.

(4) Supplemental services–i.e., health, child care, transportation, etc.–to assist the employability of the hard to employ.

4. The recommendation of the National Advisory Commission on Civil Disorders of a tax credit to business for training the hard-core unemployed and the introduction of congressional legislation toward this end led the Committee to reopen its consideration of tax incentive proposals. Despite the changes that had been incorporated in the new proposals (primarily on the referral of persons for training) since the original Prouty bill, our Committee strongly believes that this approach is without merit and should not be pursued. Many employers will be able to take large tax deductions without having made a significant contribution to training the hard to employ or the burden on employers to justify their tax credits will prove exceedingly heavy. The alternatives now available of subsidies for approved programs is much the preferred route.

5. The Committee began, but did not conclude, a discussion of the ramifications of a large-scale Government effort to create jobs in the private and public sectors such as was proposed by the Kerner Commission and by Senators Clark and Prouty. Among the points that emerged were:

a. The Federal Government today is heavily involved in underwriting jobs for selected groups–i.e., highway workers, defense workers, maritime workers, etc. Hence, discussions about whether the Government should venture into job creation efforts are largely irrelevant.

b. There is serious slippage between institutional training and the trainee's ability to get a job. This could be avoided under the proposed job creation program.

c. Many people now encouraged to take training might be placed directly in employment if adequate job opportunities were available.

d. A governmentally sponsored job program would make it possible for many who are unemployed to get a job and to proceed with their education and training after they have begun to work. There is considerable evidence from the armed services, among others, that education and training associated with holding a job is a more effective way to rehabilitate people who have been outside the mainstream of employment.

e. No program of governmentally sponsored jobs should be initiated unless the jobs are "real." Leaf-raking will not do. Moreover, for the jobs in the public sector, mechanisms should be developed to facilitate the movement of people into the private sector whenever there is an opportunity whereby they could improve their circumstances.

f. Some programs now in operation, such as Operation Mainstream, New Careers, the Work Incentive Program, and to a lesser extent the Neighborhood Youth Corps for out-of-school youth and summer employment, represent steps in the direction of governmentally sponsored jobs for various groups of unemployed persons. Hence the current discussions have more to do with scale and approach than with principle.

g. Such a job creation program would represent a major step forward in fulfilling the promise of the Employment Act of 1946 which pledged the Federal Government to strive toward providing jobs for all who were able and willing to work.

h. Until a person who cannot find a job in the private sector can find one via Government, it will be difficult to ascertain whether the current pathology with regard to work and working ascribed to different disadvantaged populations reflects shortcomings in the labor market or the liabilities of the unemployed themselves.

i. Since large numbers of people are employed at or below the minimum wage level and earn less than the criterion of poverty, a governmentally sponsored job program could lead to disruptions in the labor market. The costs of a large-scale program might prove quite burdensome. Relating the job program to existing and potential welfare programs (income transfers) might also present difficulties. The movement of people off the Government account into private jobs with less security and not significantly more pay might present further challenges. Before extending its initially favorable response to the Government's accepting more responsibility for job creation efforts as a way of rounding out a truly comprehensive manpower program, the Committee would welcome an opportunity to discuss further the many ramifications of the problem. To this end, we have requested the Manpower Administrator to place the subject on our next agenda and we have requested a comprehensive staff paper for background.

6. Professor Varden Fuller, who is currently engaged in a special research effort focused on governmental programing for economic development, made the following points in his presentation to the Committee:

a. Improvement in transportation and communications has introduced a higher element of flexibility in the location of many industrial undertakings.

b. While the location of industry has always been primarily a matter of private decisionmaking, the actions taken by governments at every level have long had an important influence on the outcome. What is now needed is the deliberate participation of government in such decisionmaking, among other reasons because of substantial investments in infrastructure and because of the employment and social consequences that derive from locational determinations.

c. There is a presumption that increasing density may be associated with increased economic and social pathology. This indicates the desirability of more governmental planning aimed at controlling the growth of megalopolises.

d. A study of mobility trends suggests that different groups have strong preferences for living in certain regions, in places of certain sizes. Much more effort, direct and indirect, should be made to ascertain the nature of these preferences which should become an important dimension of all future planning. If the market permits, it would be highly desirable to take such preferences into account.

7. The Committee has noted in the past the slow progress in launching effective manpower programs to assist the rural areas. It is pleased to learn, therefore, of the contemplated rapid expansion of CEP's for the rural population. Just as soon as the experience with this new effort has been collated and assessed, the Committee would welcome the opportunity to discuss the interrelations between the two phases of a national manpower policy—rural and urban—with particular reference to the present and potential flow of migrants, to the steps that might be taken to improve the adjustability of rural migrants to urban life, and to the potentialities of locating more industry, as Professor Fuller suggested, in nonmetropolitan regions.

8. In a wide-ranging discussion with the chairmen of the regional manpower advisory committees the following points emerged:

   a. The desirability of introducing more stability into certain phases of the training program. It is our considered opinion that while quick response by the Federal Government to new conditions is both desirable and necessary the present instability in policy has resulted in grievous costs in the form of poor planning and poor administration of training programs in the field. We strongly recommend, therefore, that the Federal agencies review what steps they might take to contribute through estimates and guidelines some greater stability to field operations within the inherently unstable structure of annual congressional appropriations.

   b. In this connection the Committee heard only good reports about the early results of CAMPS but it urges alinement of the several Federal programs which provide the sources of funds and earlier information to the field about their scale and scope to enable local groups to play a more vital role in effectively planning for the use of the total available monies. Currently, these local groups are brought into the picture too late to have much voice in the shaping of the budget.

   c. We were particularly pleased to learn that some funds had been found to enable CAMPS to build up initial staff; we support enthusiastically the President's budget request for broad staffing since we believe that only thereby can the potentiality of CAMPS be fully realized.

   d. We urge that at an opportune time, the Departments of Labor and HEW explore with the Congress the possibility of getting some forward guidelines on minimum levels of appropriations for 2 years as one way of bringing a higher order of stability into the training effort. We also raise the desirability of your requesting that the existing legislation be amended to remove the obligation of the States to provide a token contribution to these programs. As far as we can judge, the existing provisions are not effective and result in much make-work.

   e. The regional chairmen look forward to working closely with the Regional Manpower Administrators; they strongly favor the present plan to decentralize responsibility to the field for planning and operations. They are forwarding to the Manpower Administrator their recommendations with respect to the new regional structure, including the desirability of providing liaison between themselves and the regional representative of HEW.

9. The Committee was briefed by Dr. Vivian Henderson about the progress of his Committee on Training in seeking to delineate the proper role for the private sector in a national training policy. As soon as the Henderson committee's report becomes available we would like it placed on our agenda so that present and prospective Federal manpower training programs can be reappraised within the context of this larger framework.

10. Commissioner of Labor Statistics Arthur M. Ross advised us about studies in depth of six ghetto committees soon to be launched. We found repeatedly in our discussions an absence of reliable knowledge about the economic and social structures of the ghetto as well as about the many different population subgroups. We believe that sound programing cannot be planned and implemented until the knowledge base is substantially improved.

We appreciated the time and attention you were able to give us. As always, your presence and participation in our deliberations added focus and relevance. We hope that your schedule will enable you to be with us at our next meeting, which is scheduled for June 21.

Sincerely,

[Signed]

Eli Ginzberg

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ELI GINZBERG, DIRECTOR

20

July 2, 1968

The Honorable W. Willard Wirtz
Secretary of Labor
Washington, D.C.

Dear Mr. Secretary:

I am pleased to forward to you the findings and recommendations that emerged from the 20th meeting of the National Manpower Advisory Committee which was held on June 21.

1. In the absence of Mr. Ruttenberg, we were briefed by Mr. Borda about recent congressional actions. We were distressed to learn that the House of Representatives, as of this time, has eliminated the funds requested for fiscal year 1969 for the staffing of CAMPS. We understand that you are planning to seek restoration of all reductions in manpower requests. We would like to repeat our conviction that the funds for CAMPS are particularly important if the quality of future planning and implementation of manpower programs at State and local levels is to be improved. It would be false economy to eliminate this relatively small sum which should over time make possible the more effective use of much larger sums.

2. We were pleased to learn about the amendment which mandates that a small percentage of the total manpower appropriation be used in the future for the training of staff at all levels of government as well as key personnel outside of government for the hiring and training of the hard to employ. If you decide to review in this connection the earlier plans for a manpower institute, the chairmen of our Subcommittees on Training and Research, Messrs. Caples and Whyte, will be pleased to make the resources of their committees available to the Department.

3. We were distressed to learn that amendments have been passed which aim to freeze the proportion of total MDTA funds between institutional training and on-the-job training (OJT) expenditures. We believe that the proportion stipulated for institutional training is too high and we further believe that such a legislative determination is an error. We would like to add our voice to those of others who will seek to have this action reversed. We do believe, however, that congressional concern with a fixed ratio between institutional and OJT funding, as has been the Department's recent practice, may be justified. Such a fixed ratio may be unresponsive to differences among the States.

4. We are sympathetic to congressional concern about the instability in the funding of skill centers. Since we believe that the presently contemplated congressional cure for this difficulty is too rigid and cumbersome, we recommend that the Labor Department seek to work out with HEW an improved administrative device whereby these centers, or at least many of them, could be assured a greater degree of stability.

5. Although much of the efforts of the Federal Government to improve the employment prospects of the hard to employ involve the active cooperation of business, we were disturbed that many in the business community viewed the National Alliance of Businessmen as a temporary rather than a permanent

organization. We strongly recommend that you encourage the leaders of the business community to give stability and continuing strength to their counterpart structure so that the necessary cooperation between Government and business will be assured.

6. We noted that a House of Representatives report questioned whether it was right for you to condition the approval of training funds upon the likelihood that trainees would eventually be able to earn a minimum wage of $1.60. We reconsidered this matter briefly and affirm our earlier recommendation that it would be an error for the Department to use limited training funds for jobs that pay less than the minimum. As we continue to assess the complex issues involved in the employability of the hard-core ghetto population, particularly the young people, we are convinced that they can be attracted into and held in the labor force not by jobs alone but only by the prospect of "good jobs."

7. We were pleased to learn that the several provisions of the MDTA which were scheduled to expire this June 30 have been extended. We would appreciate receiving a brief information paper on the experience to this time of the Department with respect to bonding, mobility, and training of prison inmates.

8. As we reflected on the recent actions of the House, we became convinced that underlying much of the restiveness is a desire on the part of the Congress to improve the relations between Federal manpower programing and local and State actions. More effective coordination among Federal, State, and local agencies has been a serious challenge from the start of the Federal effort in 1962. We recognize the difficulty of reconciling the desire and need for initiative and innovation on the part of the Federal Government with the desire and need for greater stability and institutionalization at State and local levels. Because of the overriding importance of this problem, we are requesting that it be made one of two subjects on our September agenda. The other is an extended consideration of the role of the Federal Government in job creation.

9. In our discussion of manpower programing for the ghetto population we learned of the special efforts which are being made to increase the number of minority group members in preapprenticeship training for eventual acceptance into apprenticeship programs in the construction trades. We were informed that in some cities this program is effective while in others it is difficult to get it off the ground. We would appreciate a brief paper addressed to this subject which would show the scale of this effort, the progress that is being made, and particularly the complex of factors that appear to spell the difference between success and failure.

10. On the matter of improving the employment opportunities of the ghetto population, we noted the following:

    a. The need for improved transportation from the cities to the outlying areas where more and more jobs are being relocated.

    b. The need for open housing, particularly public housing, in these areas. This would probably require the use of State power of eminent domain.

    c. The potentiality of reversing at least in part the deterioration of the ghetto by locating public office buildings within the area and by encouraging, through subsidies and other incentives, the location of private firms in the ghetto area. While there are limitations to enticing private business into the ghetto, it would be desirable to test the potentialities. It might prove less costly than alternative programs.

d. We were particularly impressed with the desirability of the Federal Government's locating or relocating any large activity within easy reach of a large ghetto population. In point of fact, the Federal Government has followed the practice of business in locating major organizations in the suburbs out of reach of the ghetto population and in communities where, until now, no Negro could buy or rent a house. Administrative action is required to prevent the continuation of this pattern.

11. Our Subcommittee on Training recommended and we approved its recommendation that the Federal Government issue a policy statement that it would speed the employment of the hard to employ through a series of changes in its hiring, training, and assignment practices and thereby help to set the pace for other levels of government and for the private and nonprofit sectors to do likewise.

12. Our Subcommittee on Research reported that present Federal manpower efforts to help the disadvantaged individual to improve his employability might prove of limited value and that more of the Federal effort should be directed to obtaining more involvement of indigenous groups in the ghetto. Only group involvement holds forth promise of changing the climate in the ghetto sufficiently to encourage large numbers of alienated persons to take advantage of the opportunities that are being made available. The rising "consciousness of kind" underscores the need for more attention to group involvement in which members of the ghetto play key roles in programing and carrying out various remedial efforts.

13. The present emphasis of Federal programing on the hard-core unemployed appears to warrant reconsideration. We noted that the unemployed poor (hard-core), the underemployed poor, and the working poor are closely related and that many individuals move from one group into another and out again. We believe that all of these groups need manpower services. Moreover, we doubt that prevailing criteria such as ghetto unemployment rates will show much change, even if current programs are successful, because of the constant flow of the poor into the ghetto as others move out. To illustrate: many Negro youth are not willing to accept training—or even employment—because of their conviction that as members of the unemployed poor (hard-core) they are no worse off and probably a little better off than the working poor who despite their efforts cannot make a decent living. We recommend that your staff explore the interrelations among these three groups of disadvantaged people and the policy and programatic changes that might be called for.

14. Specifically we recommend that the Department of Labor place more stress on part-time training for job improvement. We believe that it is important that the working poor be afforded opportunities to improve their skills so that not only can they obtain better jobs and higher incomes but also that entrance jobs can be opened up for others currently unemployed. We suggest that your staff study the present barriers to organizing part-time training programs, to securing employers' compensation for freeing the time of trainees, to locating such programs in suitable areas, and to the level of allowances for travel, meals, and supplies. Clearly the working poor cannot spend much money on their own upgrading.

15. In light of the imminent change in administration we decided to draft a brief statement encompassing the highlights of our experience and thus to help point directions for the next several years. We contemplate reviewing this draft at our next meeting.

We were sorry that it was impossible for you to share in our deliberations, but we hope that you can be with us at our next meeting on September 27. We always profit from the guidance which you are able to provide.

Sincerely,

[Signed]

Eli Ginzberg

CONSERVATION OF HUMAN RESOURCES
COLUMBIA UNIVERSITY
NEW YORK, N.Y. 10027

ELI GINZBERG, DIRECTOR

October 7, 1968

The Honorable W. Willard Wirtz
Secretary of Labor
Washington, D.C.

Dear Mr. Secretary:

I will list below the major actions taken and the conclusions that emerged from the 21st meeting of the National Manpower Advisory Committee on Friday, September 27. We were pleased that you were able to be with us during our afternoon meeting.

1. We were informed of the possibility that MDTA may not be extended by the Senate at its present session because of its crowded calendar. Since we believe that the effective use of the taxpayer's dollar for training requires a long lead time for programing and staffing, we stand ready to take whatever action you deem appropriate to make our views known to the Senate leadership.

2. We were pleased to learn of the Executive order that had been issued in support of CAMPS and that funds will be available for staff support. We noted that regional health programs are now operational in many areas and we recommend that the Secretary of HEW provide for representation of this program on CAMPS.

3. We discussed briefly the enlarged role of HEW in manpower programing, particularly through vocational rehabilitation and the possible expansion of vocational education. Because of the recent gains in better coordination and utilization in manpower programing in the Federal Government, we will request the Secretary of HEW to meet with us at our next meeting to review his major manpower programs, the way in which they are structured within his Department, and how they relate to manpower programs in other departments of the Federal Government.

4. We were informed about the plan which had been worked out between the Departments of Labor and HEW to fund experimentally and annually three skill centers and thus provide more stability. We believe that this is a move in the right direction and that it should be possible to achieve gains from greater stability without sacrificing the flexibility which is required if training is to remain sensitive to changes in labor demand.

5. We reviewed the results of the special efforts to stimulate the employment of high school and college youth during the past summer and were disappointed to find that the business community had not been able to meet its goal. Since many young people finance their education only through savings accumulated from summer jobs, and since many other young people will get into trouble unless they are busy, we hope that special efforts will be made to prevent a shortfall in summer jobs in 1969. Since private business cannot be expected to hire in excess of its requirements, the financing of much summer work must inevitably fall on Government.

6. We had an extended discussion of "job creation" by the Federal Government based on a paper especially prepared for the Committee by Dr. Garth Mangum. The following points emerged:

   a. A comprehensive manpower program cannot rely as we have in the recent past solely on training as a remedial instrument.

   b. Congress has taken modest steps—Operation Mainstream, the Work Incentive Program and the Neighborhood Youth Corps—in the direction of job creation.

   c. The increasing national concern with the interrelations between welfare payments and willingness to work and between work and minimum income underscores the need for more governmental concern with job creation.

   d. The Committee agreed that at least the older part of the rural population with limited education and skill should not be under pressure to relocate in urban centers. Their prospects of employment in cities would be poor. Therefore an early expansion of job creation efforts for the rural poor is strongly recommended.

   e. Another group for whom the Federal Government might consider creating jobs are those persons in urban centers who are willing to work at prevailing minimum wages or to enter a course of training to enhance their employability but who cannot find jobs when they look for them or when they complete training. Public employment for these people should be viewed as interim, not permanent.

   f. As indicated in paragraph 5 above, we favor a marked expansion of NYC summer jobs. We also favor an expansion of NYC in-school jobs for those whose families are in low income brackets.

   g. The largest categories of people who are hurt in today's economy are those who work full time, full year but whose earnings do not enable them to lift themselves and their families out of poverty, and those who are so discouraged that they no longer even look for work. These two groups suffer from racial and sex discrimination, skewed income distribution, low productivity, faulty population distribution. While a large-scale governmental job creation program cannot compensate for all of these difficulties or even for most of them we believe that it has a major role to play by assuring every American an opportunity to work and to earn a living wage.

7. We reviewed at some length the possible relation between a job creation program and the rate of unemployment, particularly among the young, in ghetto areas. While an increase in job opportunities would tend to reduce the present high levels of unemployment, especially among teenagers, we concluded that many Negro youth would not be responsive to jobs that pay only a minimum wage and where there are few or no opportunities for advancement. Hence even a massive job creation program under Government auspices would not be a panacea for the large numbers of alienated and frustrated young people in the ghetto whose ability and willingness to accept and respond to conventional work incentives and goals depend on whether they perceive the society as willing to treat them justly and accept them as equals. Until this happens they are likely to shy away from seeking and holding a regular job.

8. Our preliminary reactions to Professor Robson's paper on administrative reforms follow:

   a. We endorse his recommendation that the Federal Government take the leadership in broadening and deepening training opportunities for senior officials at every level of government who have responsibility for designing and implementing manpower programs. We stand ready to assist the Department in reviewing plans for spending the funds for training provided in the House-approved version of the extension of MDTA.

   b. As indicated in paragraph 4 above, we believe that the steps recently taken to annually fund three skill centers are moves in the right direction. If counterpart capabilities by State and local governments to plan and carry out effective manpower programs are demonstrated, the Federal Government should seek to decentralize responsibility for decisionmaking, including the allocation of funds among competing projects, to the States and localities. We recognize, however, that the rate at which the Federal Government can move in this direction should be governed by the capabilities of State and local governments. In this connection we recommend that the Federal Government keep the CAMPS structure under review, and that it make an early determination whether small planning grants to the States for the development of a more effective manpower structure might prove constructive.

   c. With regard to administrative reforms, the Committee supports the general conclusions of Professor Robson's analysis that manpower planning should be further integrated within the principal departments of the Federal Government—particularly in HEW and Labor; that there be only one channel between each department in Washington and the field; that the regional representatives of each department be invested with more responsibility for decisionmaking; that further efforts be made to coordinate the manpower programs of the several Federal departments and agencies both in Washington and in the field.

9. We were pleased to learn that the Civil Service Commission has agreed to the Department of Labor's request for permission to appoint annually at senior grades a number of academicians who would be assigned to policy, planning, and research and evaluation functions. We recommend that special efforts be made to appoint at least one or two such specialists to work with the experimental and demonstration program—both in helping to evaluate programs that have been launched and are operating and to help establish proper designs for controlling and evaluating new experimental programs. While this challenge is a difficult one, we believe that the payoff can be substantial. Without effective evaluation we cannot learn what lessons can be extracted from experimental and demonstration programs and what parts should be incorporated in future planning and operations.

10. We have asked one of our members, Mr. Ralph Boynton, to prepare for our next meeting a proposal aimed at broadening support among key groups outside of Government for the collection and evaluation of more local, State, and regional manpower data. These data are essential if increasing governmental funds for manpower programs are to be effectively invested.

11. In view of the acknowledged weaknesses of many State and local governments to discharge their manpower responsibilities effectively, and in view of the increasing reliance of the Federal Government on third parties, both private and nonprofit, for carrying out essential aspects of its manpower programing, we recommend that the Federal Government consider whether there might be any advantage in centralizing its manpower training efforts in a separate, nonprofit training institution chartered by the

Federal Government with counterpart nonprofit training institutions in the major cities. This proposal has been put repeatedly before us by one of our members. We would appreciate a short paper from your staff on its feasibility and desirability.

12. We were informed that the special work-income program in western Kentucky (Happy-Pappy) is scheduled to terminate at the end of 1968 and that unless a new program is mounted several thousand heads of families will be without any source of income. We strongly urge that the problem be reviewed and appropriate action taken.

13. Prior to our next meeting on December 13, the Committee will prepare a brief memorandum for the new Administration which will set out our major recommendations for the next steps in Federal manpower programing. We would particularly appreciate it if you could be present when this draft is discussed. We will of course adjust our agenda to your schedule.

Sincerely,

[Signed]

Eli Ginzberg

CONSERVATION OF HUMAN RESOURCES

COLUMBIA UNIVERSITY

NEW YORK, N.Y. 10027

ELI GINZBERG, DIRECTOR

22

December 30, 1968

The Honorable W. Willard Wirtz
Secretary of Labor
Washington, D.C.

Dear Mr. Secretary:

I am pleased to forward the conclusions emerging from the 22d meeting of the National Manpower Advisory Committee on December 13, which all the regional chairmen but one attended.

1. The Committee was pleased to learn that despite the prevailing budgetary stringency, the Administration will request for fiscal year 1970 an increase of about $400 million over the current level of funding for manpower programs. While we understand the reasons for concentrating most of these additional sums on the Job Opportunities in the Business Sector and Concentrated Employment Programs, we ask two questions. Since so many of the problems of our large cities reflect our failure to deal effectively with the sources of poverty, might it be desirable to provide more manpower services than are now contemplated in a selected number of smaller cities and rural areas, particularly in the South? Further, can we learn more about the progress of the present JOBS Program before making a large additional commitment?

2. We were informed that the *Manpower Report of the President* will be sent to the Congress in January. We have long believed that if the Manpower Report is to be an effective policy document, it must be forwarded at about the same time as the *Budget Message* and the *Economic Report of the President*. We hope that a January transmittal will become the pattern.

3. We were disturbed to learn that the basic reorganization of the Manpower Administration, which had been initiated in October, has been suspended. We earnestly hope that the new Administration will go ahead with this reorganization, which we believe is an eminently sound and constructive move to simplify the relations between Washington and the field and to give greater decisionmaking power to the field.

4. A sound Federal policy with respect to training and retraining requires more knowledge about the scope and scale of training that is carried on by the private sector. However, the lack of adequate conceptualization and the absence of proved techniques make it impossible to collect by questionnaire or any other method the information that would provide a reliable picture of the private training effort. We therefore strongly recommend that the several Federal agencies that have an interest in such information, including in particular Labor, HEW, Commerce, HUD, Defense, establish a committee with adequate staff and personnel support to undertake the exploratory research that must be completed before a national survey can be undertaken. Specialists from business, labor, and academic life should be invited to serve on this committee.

5. Our Committee reviewed the report of its Subcommittee on Research which had met on December 6 and concurred with its recommendation that the Department of Labor make special efforts to expand its research program. We were impressed with the fact that the Department has made good use of its limited research funds and believes that its record of accomplishment justifies a request for larger appropriations. An unsolved problem remains however. To improve the dissemination of salient research findings. We are therefore requesting our Subcommittee on Research to give special attention to the ways in which it might be of assistance to the Department in this effort.

6. We had an extended discussion of the new amendments to MDTA which stress the importance of efforts directed at improved labor market information at job matching. While Congress has declared its interest in these efforts, it has not yet made specific appropriations for them beyond directing that 2 percent of MDTA appropriation be applied to job matching. We strongly urge that the Department prepare a program and a budget for the implementation of these new congressional directives. We believe that it would be a serious error if the opportunity offered by recent congressional action were not followed up aggressively. We have repeatedly pointed to the difficulties in planning and implementing manpower programs because of a lack of sound local labor market information.

7. The situation with respect to job matching is more complex. We were informed of the several experimental programs under the auspices of the Employment Service that are becoming operational as well as of certain private and nonprofit ventures. We believe that the Department should appoint a committee of experts drawn from among those with experience in computer technology and labor market analysis to assess the strengths and weaknesses of the experimental systems that are in operation or are about to become operational; to identify the key conceptual problems that must be solved before large-scale programs are launched; and to determine the best approaches for assuring that the new systems are capable of yielding basic information of value to officials and also to researchers. We believe that much hard work—and hard thinking—must take place before the promise of the new technology can be realized. The Department of Labor, after it receives specific direction from the Congress, must assume leadership in this field.

8. In light of the repeatedly expressed interest of the Congress in the future of the skill centers, we strongly urge that the Departments of Labor and HEW devote more effort to learning about the different ways in which the principal centers are currently functioning. From the limited information presented at our meeting it was clear that the developments are sufficiently dynamic that special efforts must be made to keep abreast of them and more importantly to evaluate their significance. If the strengthening of skill centers is sound policy, we must know more about their staffs, trainees, utilization, and relations to in-plant programs.

9. With respect to the title V amendment to MDTA we believe that it is sound policy for the Federal Government to make special sums available to the States on a matching basis to facilitate their developing a comprehensive program for manpower services. Accordingly, we recommend that the Department seek a supplemental appropriation for fiscal year 1970 in sufficient amount (circa $150 million) so that those States that desire to move quickly and soundly ahead are able to do so.

10. We recommend that before the Department finalizes its plans to meet the congressional charge to use 2 percent of its MDTA funds for staff training, it ask at least the chairmen of our Subcommittees on Training and Research for such guidance as they are able to provide. The problem of staff training has

been of repeated concern to our Committee and particularly to our two subcommittees. We object to one of the tentative proposals which would divide the training funds between the Departments of Labor and HEW and permit each to go its own way.

11. We reviewed briefly the new provision in MDTA whereby the States could move ahead to fund projects up to a specified percentage of their total allocation. We favor this approach subject to strengthening the planning to be undertaken by CAMPS, to the delineation of Federal guidelines for priorities, and to Federal review that will insure that projects funded in the past, for which a demand is no longer urgent, are cut back or eliminated.

12. The expressed concern of the Congress with studies and programs aimed at reducing seasonality in construction should be followed up by the Department with a request for adequate funding. The studies should be broadly conceived to cover such diverse matters as the potentials inherent in technological improvements to permit bad weather construction, annual systems of wage remuneration, and new calculations aimed at differentiating between private costs and social costs.

13. Our Committee was thoroughly briefed by Associate Commissioner Venn about the major actions which the Congress took to broaden and deepen its support for vocational education. We believe the new legislation to be a major step forward in the design of a sound structure for Federal involvement in human resource development. We recognize that when Congress appropriates the much larger sums authorized under this new legislation, there may be issues at conflict between manpower training and vocational education. But more important will be the expanded opportunities for an overall strengthening of the total Federal effort in this area. We have been impressed with the cooperative relations between the Departments of Labor and HEW in the past and we stand ready to be of assistance in the future.

14. Our attention was directed once again to the proliferation of committees at the State level which were mandated or at least encouraged by various Federal legislation – i.e., MDTA, vocational education, vocational rehabilttation, etc. We strongly recommend that a joint Labor-HEW task force be established to explore changes in administrative procedures and legislation that could eliminate wasteful duplication which we see not only as a waste of able people's time and energies but as a source of confusion in the field and as a barrier to integrated planning. It might be desirable if each Governor were to establish a human resources council with advisory responsibility for all related programs. At the least, Federal actions should not inhibit such a development.

15. We discussed the possible ways in which representatives from the target areas might be more directly involved in various training and related programs. Their participation would add substantially to the effectiveness of various programs by providing them with perspectives and insights about the needs and desires of clients that they might otherwise overlook or neglect. Since the amendments to the Economic Opportunity Act mandate greater participation of these representatives, we urge you to provide at the earliest possible date guidelines to the field as how this requirement might be met. We suggest that these guidelines might offer more than one pattern for effective participation. We plan to review the matter of the participation of representatives of the poor on advisory committees with your successor before finalizing our recommendations. But our preliminary discussion pointed clearly to the advantages of greater participation.

Although we had the opportunity to tell Mr. Stanley Ruttenberg that we had been happy with his leadership of the Manpower Administration during the past several years and particularly with his

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constructive and friendly relations with our Committee, we want in this letter to record formally our high esteem for him and to express the hope that the Federal Government will again be able to use his unique talents and experience.

As your advisors, chosen by you and privileged to serve under your leadership, we can do no more than tell you again at this time when you are leaving office how appreciative we have been to have the opportunity to serve our Government as it embarked on the fashioning of a national manpower policy. To you, who have carried the primary responsibility, we say that the good works of a good man are his true reward.

Sincerely,

[Signed]

Eli Ginzberg

LETTERS 23 THROUGH 32: 1969-71

CONSERVATION OF HUMAN RESOURCES
COLUMBIA UNIVERSITY
NEW YORK, N.Y. 10027

ELI GINZBERG, DIRECTOR

April 7, 1969

The Honorable George P. Shultz
Secretary of Labor
The Honorable Robert H. Finch
Secretary of Health, Education, and Welfare
Washington, D.C.

Dear Sirs:

I am pleased to forwatd to you the findings and recommendations growing out of the 23d meeting of the National Manpower Advisory Committee which was held on March 28, 1969:

1. The Committee welcomed Mr. Howard D. Samuel, Vice President, Amalgamated Clothing Workers of America, to its membership and expressed its appreciation to Mr. I. W. Abel, President of United Steelworkers of America, who recently completed his term, for his several years of constructive service.

2. We were pleased to learn about the comprehensive reorganization of the Manpower Administration and anticipate that it will yield substantial returns in improved service. Toward this end, we submit the following recommendations with the caveat that their implementation be monitored in the months ahead as the efforts at decentralization and coordination proceed:

   a. Our on-going surveillance of manpower programs indicates that many States are poorly structured to design and oversee manpower programs. We believe that the success of the decentralization effort hinges on Federal efforts to encourage and support State efforts to strengthen their administrative and planning capabilities.

   b. Because of the pervasiveness of unsympathetic feelings and attitudes toward various racial and ethnic minorities in different regions of the country, we suggest that the Federal Government continue to exercise close surveillance over State actions to assure that they continue to devote an adequate proportion of their total resources to the disadvantagged members of minority groups.

   c. We believe that the effectiveness of the States' action will depend in large measure on improving the quantity and quality of their staff. We therefore urge that the Federal Government explore how to speed the relocation of trained staff from Washington to the field.

   d. We suggest that an early evaluation in depth be made of a representative group of CAMPS and that necessary action be taken to enable this or a similar institution to discharge its expanded opportunities more effectively.

   e. We were pleased to learn that progress is being made to develop an effective data management system for operational and planning purposes. Because of the late start of this critically important

effort, we hope that adequate staff will be made available to speed its introduction and to help in establishing quality control of the data that enter the system.

3. Since several States including California have anticipated to strengthen their capability to deliver manpower services through the establishment of new structures, we suggest that the Departments of Labor and HEW make a special effort to stay abreast of these new developments, assess them and disseminate information about their success to other States that may be looking for guidance. In this connection it might be appropriate at some time in the relatively near future for the Secretaries of Labor and HEW to recommend that this subject be placed on the agenda of the Governors' Conference.

4. At its meeting on March 14, our Subcommittee on Research, after reviewing the Department of Labor's 3 years' experience with funding manpower research institutional grants, recommended that efforts be made to expand this effort at the first opportune moment so that each of the eight regions could develop at least one strongly staffed center of research, training, and consultation. Our subcommittee suggested that such an effort could help to insure the success of the efforts at decentralization. Our Committee is in full agreement with this appraisal and recommendation. We also support the recommendation of our subcommittee that your Office of Manpower Research continue to use university and general publishers to publish the books growing out of the research which the Department has subsidized. We consider this to be the best method for insuring that the findings are broadly disseminated.

5. Although the subject was not part of our formal discussion, I am taking the liberty as chairman to call your attention to the desirability of early activation of an eighth regional manpower advisory committee. There are currently seven in operation. Presumptively, the regional committees will be made congruent with the boundaries recently established by the Bureau of the Budget.

6. We noted the attendance at our meeting of HEW staff with a primary concern with allied health manpower. We hope that, reflecting the President's interest in encouraging optimum coordination among Federal agencies with a concern with manpower, future meetings of the Committee will be attended by representatives of other key divisions of HEW as well as from the Departments of Defense, Commerce, Housing and Urban Development, Transportation, and Agriculture, the Office of Economic Opportunity, and the Council of Economic Advisers. We have profited in the past from their attendance and look forward to their continuing in the future.

7. We had an extended, though not exhaustive, discussion of the possible gains that might accrue from reshaping Federal manpower programs so that the rural-urban nexus is seen as an entity rather than as two distinct problem areas. In this connection the following issues surfaced:

   a. The desirability of an early effort to deepen our knowledge of the unemployed and underemployed persons, white and black, who reside in rural nonfarm areas and in towns and small cities, particularly in the South. We suspect that these communities continue to be the initial or secondary source of the large flow of poorly equipped persons into our metropolitan centers; if this were confirmed, we believe that it would be better to develop long-run economic and manpower policies to redirect this flow to alternative centers where their absorption might be easier.

b. In this connection we request that your staff review the recommendations contained in the report of the Commission on Rural Poverty and determine what additional factual information is required to formulate Federal policy in this arena.

c. Since the number of Negores now living in rural nonfarm areas of the South is relatively large and since their prospects of regular employment are poor, we urge that the Federal Government design a long-range program of training and relocation. Training alone is not enough.

8. To facilitate the early consideration of this important problem we recommend that it be placed on the agenda for our next meeting, that at least a third of the meeting be devoted to it, and that background papers be prepared by the Departments of Labor, HEW, Commerce (Economic Development Administration) and Agriculture so that we can become fa[illegible] before the meeting with the many dimensions of the problem.

9. We would like to follow up on your suggestion that we discuss during our next meeting Project 100,000 and appraise a selected number of efforts by employers in the civilian sector who have had experience in training, hiring, and utilizing hard-core personnel. We think that such a point/counterpoint presentation would set the background for a constructive discussion.

10. Assistant Secretary Weber reviewed with us the Department's attitudes toward and actions as a result of the six recommendations contained in our letter of November 25, 1968, sent to the President-Elect. Although our appraisal and the Administration's policy are congruent, there appears to be a difference with respect to our recommendation that the Federal Government define a desirable balance between its emphasis on altering the qualities of the existing and potential supply of labor and the gains that might be achieved through a more direct effort by Government on various types of job creation. We do not advocate a large-scale increase in governmental expenditures at this time to create Government jobs for those who are unemployed or underemployed. Our emphasis is more on the need for the Federal Government to explore the different subsidies and other incentives through which it might help to create viable and worthwhile jobs which would create services that people might be willing and able to pay for but which for various complex reasons are not currently attractive to private capital. Government has shown innovation in many different fields such as aircraft production, road construction, research and development; we hope that again it will structure opportunities that will eventually engage private, nonprofit, and governmental efforts in a combined venture that will expand economic output and social welfare.

We hope that the new Administration will study this range of possibilities even while it attempts to improve the delivery of training and labor market services. Moreover, we hope that consideration will be given to the specific groups who should benefit from Government expenditures.

We were grateful indeed that Under Secretary Veneman and you were able to be with us for much of the morning. We hope that you will meet with us in the future to the extent that your heavy schedule permits. We look forward to a close and constructive relation with all the members of your staff and particularly Assistant Secretary Weber with whom we plan to be in continuing contact.

Sincerely,

[Signed]

Eli Ginzberg

CONSERVATION OF HUMAN RESOURCES
COLUMBIA UNIVERSITY
NEW YORK, N.Y. 10027

ELI GINZBERG, DIRECTOR

24

July 11, 1969

The Honorable George P. Shultz
Secretary of Labor
The Honorable Robert H. Finch
Secretary of Health, Education, and Welfare
Washington, D.C.

Dear Sirs:

I am pleased to forward to you a summary of the discussion and recommendations that emerged during the 24th meeting of the National Manpower Advisory Committee on June 20. Your presence both during the morning session and at lunch was appreciated by all of us. The Committee was also pleased that Assistant Secretary Allen was able to explore with us issues of mutual interest and concern. We regret that our schedule made it impossible to have a full discussion of the issues on welfare and work that Assistant Secretary Rosow put to us but, guided by the Committee's earlier expressed views, I will respond in section 5 below to all of his questions:

1. Our Committee approved the recommendation of its Subcommittee on Training that a pilot study be undertaken of the use of tax incentives for training. We noted, however, that if such a pilot study is to be of optimal value, it should not be limited to blue-collar industrial skills but should also cover white-collar and service occupations which account for such a high proportion of all jobs. Moreover, we believe that in evaluating the study it will be important to note that the findings have applicability only to the profit sector and that there is also urgent need for training for the nonprofit and governmental sector, for example, in the field of allied health manpower. Moreover, we recommend that those who carry out the study will consult with Dr. Vivian Henderson to benefit from the extensive information on tax incentives collected by the Committee on Training which he chaired.

2. With respect to the recommendation of the Subcommittee on Training relating to the proposed field study of the scale of expenditures of business for training, our Committee noted that more important than devising estimates of these expenditures is to increase our knowledge of the *processes* whereby men acquire skills. Because of the difficulties that the Department encountered in earlier efforts to elicit information about the costs of training, Mr. Boynton volunteered to arrange for pretesting with selected members of the American Society of Training Directors. In the discussion, note was taken of the fact that often the existence of a training program as in the allied health occupations is a barrier to employability or promotion. Therefore we cannot move uncritically from dollar expenditures for training to the assumptions about adequacy of training opportunities.

3. The third recommendation of the Subcommittee on Training related to the desirability of further Government financing of the basic education program in the steel industry. We approve this recommendation but we believe that it should be limited to no more than 3 additional years. We do not believe that

the Government should be the source of funding for such efforts beyond an exploratory stage. In fact our preference would be for the industry and the trade union to undertake the financing at this time.

4. Because of the heavy agenda, our Committee reviewed and approved but did not discuss the report of the 23d meeting of our Subcommittee on Research held in May. Among its principal recommendations were:

   a. A strong recommendation that the Secretary of Labor make staff resources available to speed work, in conjunction with the Bureau of the Budget, on an improved occupational classification system.

   b. A recommendation that the Secretary of HEW make every effort to interpret to higher authority the need for stability in research funding to prevent the repetition of the drastic cutback experienced by the Office of Education under the Vocational Education Act; and that the Secretary of Labor explore whether, through a reallocation of existing monies (experimental and demonstration) and other sources, it might be possible to expand the very modest research funds available to the Manpower Administration.

   Our Committee shares the conviction of the Subcommittee on Research that the Office of Manpower Research has made good use of the limited monies that have been available to it; and considers it highly desirable to increase the number of institutional grants, the number of external contracts, and the research capabilities of the Office itself. We have previously stressed and now repeat our belief that large gains can be made through shifting the balance, even slightly, in the direction of research as the cutting edge for improved operations.

5. The following summarizes our preliminary responses to the questions propounded on pages 2-3 of the Memorandum on Welfare and Work which provide the basis of Assistant Secretary Rosow's presentation:

   a. People who are on relief or who have been on relief are likely to calculate quite closely the advantages of remaining on welfare against the gains of accepting a job. All proposals concerned with incentives to work must give weight to the costs of working (clothes, carfare, etc.) and, perhaps even more important, the potential loss of benefits, i.e., medical care, etc. Moreover, the awareness of people about these differentials will increase as various welfare organizations strive to mobilize relief recipients into a political bloc.

   b. We suspect that a tax rate of 67 percent may be adequate to entice some people on relief to work, but it may not attract others. In any case we wish to stress the particular importance of considering incentives for adolescents as distinct from the family as a whole. It is essential that young people be encouraged in all possible ways to adopt work, rather than relief, as a way of life.

   c. We are also concerned about the pervasive ways in which work and income operate with regard to eligibility for public housing. People with initiative are frequently excluded from obtaining an apartment or are forced out if they begin to earn above the minimum.

   d. The burden of the foregoing is to warn that no single system will be able to accomplish such desirable objectives as to provide a decent income for all people on relief; to assure substantial

equity among those in poverty, those receiving welfare, and those just above the welfare level; to reduce the stigma associated with welfare, and at the same time to strengthen work incentives. No single system can accomplish all this. Our preference lies in the direction of establishing a national standard of welfare payments, improving the incentives to encourage people to shift from welfare into employment, and exploring how those who work but do not earn enough to lift their families out of poverty might be helped through a *limited* child welfare allowance system.

e. People capable of working are not entitled to relief. Therefore, there is a place for compulsion in any welfare system. However we must restrict the power of Government officials to deny arbitrarily relief funds to any person. The procedural safeguards used in the Unemployment Insurance system should be adapted to the welfare-work area. With regard to compulsion on mothers of young children to accept employment, much more lenient standards should be applied. No mother who has two or more preschool children should be *forced* to take a job. Moreover, no mother who has valid grounds for questioning whether her children will be properly cared for in her absence should be forced to work. Given these and other necessary cautions, we recommend that the Work Incentive (WIN) Program and similar programs concentrate on volunteers until all who desire to work have been afforded an opportunity to do so.

f. The use of Government as an employer of "last resort" should be explored as a part of a total national manpower policy and should not be assessed within the narrow context of the welfare-work issue.

g. Re day-care facilities, we believe that their expansion is essential if the WIN Program is to grow rapidly. If possible, day-care centers should be developed on a free, part-day, and full-day basis since many women, not on relief or in poverty, would like to avail themselves of such facilities. Many welfare mothers could be trained for productive employment in such centers.

h. Re training: Current research suggests that even after good training many welfare mothers will not be able to support themselves and their children. Our earlier recommendations about improving incentives to encourage welfare clients to work and introducing children's allowances reflect this. The major challenge at the present is twofold: To avoid launching a brand new welfare system that could seriously disrupt the labor market; and the need to monitor closely the current WIN Program and similar efforts so that policies and programs can be modified by what is learned.

6. Mr. Patricelli of HEW and Mr. Weber of the Department of Labor placed before us in a clear and concise fashion the objectives and problems embedded in the Administration's proposed bill on a revised Manpower Act. I summarize below our principal responses to this proposal.

a. For the last several years our Committee has been concerned about the proliferation of manpower programs at the Federal level, about the excessive centralization of such programing, and about the slow development of State and local capabilities to deliver manpower services effectively. While we do not believe that any single piece of new legislation will cure all of these defects—surely not in the short run—we believe that a new major effort at institution-building at State and local levels and more decentralization of operating responsibility are essential to overcome the recognized defects. Therefore we strongly favor the Administration's effort to take a major step ahead.

b. We believe that the drafted proposal is basically sound in the following regards: The provision of incentives to the States to build a manpower capability for policy, programing, services; the pass-through to the cities; the extent of optimum decentralization (75 percent); the use of advisory groups with independent staff capabilities; the line veto; the retention by the Secretary of Labor of wide discretion with regard to decentralization depending on his evaluation of the State's capability.

c. We believe it would be an error to encourage the States to establish a single manpower umbrella agency or to define "manpower related programs" so broadly as to bring all educational, welfare, and health services under such an umbrella. A present objective should be to encourage the integration of all specifically manpower programs and to leave to each Governor discretion with regard to how much further to go. For instance, we consider in-school (high-school and junior college) vocational educational efforts as more closely related to education than to manpower although the linkages of one to the other should be strengthened. On the other hand, we believe that out-of-school occupational training (skill centers) is an integral part of manpower programing, although there is a linkage between these programs and vocational education which should be furthered for reasons of efficiency and economy. With regard to vocational rehabilitation, we recognize that it should be more closely linked to manpower because of its primary mission and the age groups served.

d. We believe that the Administration bill should make explicit the role and responsibilities of the Secretary of HEW with respect to such matters as the following:

(1) Work-study programs, which fall primarily within the educational sphere.

(2) Supportive social and welfare services—i.e., day-care centers.

(3) The medical dimensions of vocational rehabilitation.

(4) Credentialing problems affecting paraprofessional manpower.

e. The question was put squarely to us whether, in light of the complexity of Federal-State relationships and the variations among organizational structures within the several States, it might be preferable for the Administration to delay presenting a comprehensive bill until agreement has been reached within the Federal Government with regard to its role vis-a-vis the States in Federal-State programs. We believe a delay would be ill advised. We do not favor interim measures, such as an approach limited solely to strengthening CAMPS. We believe that new structures are needed, not merely new coordinating mechanisms.

7. Our entire afternoon discussion was focused on the rural-urban nexus of manpower problems in which we were helped by papers prepared by the Departments of Commerce (Economic Development Administration), Agriculture, Labor, and HEW, in addition to an overview piece by Professor Gerald Somers of the University of Wisconsin. The following highlights emerged:

a. We do not now have an internal migration policy and therefore it is impossible to achieve the potential benefits of coordinating the diverse Federal programs.

b. The primary source of future migration will be not from the farm but from rural nonfarm localities.

c. Early action must be taken with respect to potential large-scale reduction of employment opportunities for particular farm groups—i.e., in tobacco growing areas.

d. The current emphasis on growth centers, both small and large, to which surplus labor market areas are linked with an eye to facilitating commuting, if possible, or relocation, if necessary, is much sounder than the earlier efforts to revitalize large depressed areas.

e. However, many communities, especially small ones, have an implicit policy governing the reception of potentially troublesome migrants. Once the Federal Government has clarified its migration policy, it must explore the ways it can contribute to social infrastructure—schooling, health, housing, welfare, etc.—to break down such resistance. A shift from granting subsidies to employers to granting them to communities may be a step in the right direction. At least, it warrants detailed study.

f. We agree with the decision of the Department of Labor not to push at this time for a national program of mobility allowances, although we believe that this is an important missing dimension of an active labor market policy. We were pleased to learn, however, that the level of financing previous pilot studies will be expanded. We strongly urge the Secretary of Labor to seek to persuade the Administration to develop an economic development and migration policy as soon as possible. To continue without one will assure that the ghetto problems of the sixties will be replicated with variations in the seventies and eighties in other communities, both in the South and in the North.

g. One finding which emerged from the experimental and demonstration projects on mobility was that the key to successful relocation is a specific job opening for a potential migrant. This points to the desirability of strengthening the capabilities of the Employment Service to improve its job finding services and to make openings available to potential jobholders in depressed communities.

h. Since there are inherent difficulties in providing remedial and skill training in regions of outmigration, area vocational schools must be expanded and should include opportunities for potential migrants to attend as residential students since many will be unable to commute. Moreover, the deficiencies in its educational-training capabilities in areas of outmigration suggest the need for more effort to identify potential migrants and provide essential services for them after they have moved. The difference between a successful and an unsuccessful move often hinges on the availability of basic services early after a family's relocation.

i. Research in problems of economic growth, migration, and related matters lags far behind what we need. We hope that as more funds are made available for manpower research, more effort will be devoted to this area.

j. Once a resolution is reached at the Federal level about the objectives of economic development and migration policy, action will follow swiftly to improve coordination among the several Federal programs.

The Honorable George P. Shultz
The Honorable Robert H. Finch

July 11, 1969

We want to make two suggestions for a future agenda: (1) The role of professional and scientific manpower in an emerging national manpower policy; and (2) the proper balance between the needs of younger and older members of the work force, including problems of retirement and social security.

Our next meeting will be held on September 26. We look forward to having you with us for as long as your schedule will permit.

Sincerely,

[Signed]

Eli Ginzberg

CONSERVATION OF HUMAN RESOURCES
COLUMBIA UNIVERSITY
NEW YORK, N.Y. 10027

ELI GINZBERG, DIRECTOR

October 16, 1969

The Honorable George P. Shultz
Secretary of Labor
Washington, D.C.

Dear Mr. Secretary:

I present herewith the major findings and recommendations growing out of the 25th meeting of the National Manpower Advisory Committee held on September 26. Most of our discussion was concerned with approaches which the Federal Government might pursue in seeking to expand minority employment in the construction industry. We were pleased to have you with us when this discussion was under way. The Committee's analysis of this problem was aided by the participation of representatives of the Iron Workers and Electrical Workers unions.

The consensus of the Committee was that:

1. It is desirable and necessary for the Federal Government to take a more active role in expanding employment opportunities for minorities in the construction trades because of the uneven progress that has been made in this industry since the passage of the Civil Rights Act of 1964. Without intensified Federal efforts, future progress is likely to be slow.

2. Greater access of Negroes to good jobs in the construction industry is now considered by many as the touchstone of the Federal Government's commitment to equal employment. Lack of significant progress on this front will inevitably contribute to frustration in the Negro community with increasingly serious consequences to the peace and prosperity of our cities.

3. Although we attach critical importance to broadening the access of minority groups to high-paying jobs in the construction industry, we see the present control over entrance jobs in the industry as one aspect of the larger problem of licensing and certification. We believe, therefore, that the Federal Government should indicate that it plans to move against arbitrary exclusionary policies and practices wherever they exist and that it is not singling out the construction industry.

4. We distinguish reforms involving apprenticeship from those involving journeymen's status and union membership. We believe that it will be somewhat easier to elicit union cooperation in providing journeyman status and union membership for qualified Negroes. It is our understanding that in Baltimore, Gary, Boston, and St. Louis this approach is being followed with considerable success.

5. One of our members, Dr. Vivian Henderson, called attention to the efforts which are soon to be launched by the Urban Coalition to organize Negro contractors and in connection therewith to establish a significant training component. It may well be that the Department of Labor can be helpful in establishing the training program.

6. Although we believe that major stress should be placed on having Negro journeymen accepted into the union, we recognize that the apprenticeship route also should be used. In this connection we think that more can be done to replicate the Workers' Defense League approach used in New York City.

7. We strongly urge you to include on the Federal Advisory Council on Apprenticeship representatives of education and the public. We hope that this will contribute to a better understanding of the impact of the current regulations governing apprenticeship. It would also be desirable if the Governors of the States would broaden their advisory committees to include representatives of the public.

8. A broadened Federal Advisory Council on Apprenticeship should be encouraged to give priority attention to such matters as the appropriateness of the curricula, the length of training, and the criteria for selection of apprentices.

9. As a result of our continuing concern with this problem, we believe that the Federal Government was on the right track when it sought to build objective criteria of performance into the Philadelphia Plan. However, we ask whether this might be done more effectively than by stipulating an explicit ratio of blacks to whites on intake. A preferred way may be to have management and labor agree on a goal that appears reasonable to minority groups and to Government.

10. In States such as California which have an elaborate system of junior colleges, it may be possible to institutionalize the process whereby minority group members obtain training in skills with the promise of union membership upon the completion of their preparation. Apparently several such successful patterns have been worked out.

11. It would be desirable to encourage more unions to establish a series of qualification levels between apprentice and journeyman. The Iron Workers union, for example, has seven such gradations.

12. More progress could be made on opening up the construction trades to minority group members if it were possible to link such efforts with guarantees of steady work to the existing membership.

13. If you would find it helpful, our Committee stands ready to establish a subcommittee composed of Messrs. Caples, Lyons, and Ginzberg to help interpret to interested groups and parties the importance of constructive action in this arena as part of a larger national effort to strengthen our manpower resources, the economy, and the society.

I will note briefly below our responses to other issues that came before us:

14. We strongly support the amendments to the unemployment insurance law which will eliminate the disqualifications which still prevent some unemployed from receiving benefits during training. We also view with favor the broadening of coverage and the automatic extension of benefits in periods of high unemployment.

15. We believe that the Department is moving in the right direction in seeking to improve the linkages between the Job Corps and other manpower programs. We noted that the new residential centers are coming into existence relatively slowly and we hope that the next months will show accelerated progress.

16. We were pleased to learn that the operating data system for manpower programs is finally on stream and that by 1971 a system will be available which will facilitate evaluation by relating inputs of services to specific individuals.

17. Since the success of the Work Incentive (WIN) Program and the new welfare proposals hinges on the substantial expansion of child-care facilities, we request that a background paper on the issues involved be developed and that the subject be placed on our agenda in the near future. Among the aspects that we would like to see discussed in such a paper are:

    a. The potential roles for private, nonprofit, and governmental agencies.

    b. The advantages of centers for the poor versus centers for the poor and paying clients with sliding fees.

    c. The optimal utilization of centers for socialization and educational purposes.

18. On the basis of a brief discussion of the alternative manpower training bills the Committee made the following observations:

    a. The necessity that the Federal Government move toward decentralization per the Administration's and the Steiger bills.

    b. The necessity that the Federal Government withstand pressures to release more than the minimum funds until the States unequivocally demonstrate competence.

    c. The desirability of building in a number of explicit audit procedures, especially if large-scale decentralization is effected.

    d. We believe that the O'Hara proposal with its public service component is on the right track in seeing training as one facet of a larger manpower program that should include employment. It is important to broaden perspective even further to include welfare. However, more critical analysis is needed before these several dimensions of a comprehensive manpower program can be effectively linked to each other.

    e. In general the Committee found that the Administration's bill is responsive to many of its priority recommendations.

Our next meeting is scheduled for December 12. We hope that your busy schedule will permit you to spend some time with us.

Sincerely,

[Signed]

Eli Ginzberg

CONSERVATION OF HUMAN RESOURCES
COLUMBIA UNIVERSITY
NEW YORK, N.Y. 10027

ELI GINZBERG, DIRECTOR

June 29, 1970

The Honorable George P. Shultz
Secretary of Labor
Washington, D.C.

Dear Mr. Secretary:

I am pleased to forward the findings and recommendations growing out of the 26th meeting of the National Manpower Advisory Committee. While we appreciated the reasons which prevented you from spending time with us, we were pleased that your successor designate, Under Secretary Hodgson, was able to join us and to meet the many new members. Assistant Secretary Weber and the senior members of his staff were present throughout most of our discussions as were the Deputy Under Secretary of HEW, Mr. Patricelli, and his colleagues. Dr. Weber provided a most incisive and illuminating overview of Federal manpower policy as background for the new members.

1. The members of the Committee, old and new, had been apprised of the many delays built into the appointment process; they appreciate the efforts which you and your associates have made to cut through the red tape; but they respectfully request that such efforts be intensified so that the regional committee structure can once again become fully operational. We feel that the pending Administration bill would be on sounder ground if the Congress could be reassured that the Federal Government has 10 active advisory committees in the field able to assist in the decentralization efforts that the bill contemplates. We realize that the cause of the delay lies outside your office, but we hope that our strong recommendation for the full reactivation of the regional structure may help to convince those in authority to act speedily.

2. The Committee was informed that it is not certain whether Congress will call up MTA for action at the present session or, if it does, what the outcome will be. Since we have been repeatedly on record in favor of decategorization and more decentralization of manpower programing and services, we would be pleased to make our views known to the appropriate congressional leaders if you think this would be helpful.

3. In our discussion of the role of manpower policy in a recession such as the present one, the consensus of the Committee was that manpower training funds should be used to assist in the retraining of skilled and professional workers who are unlikely to be reemployed in their industry, such as aerospace personnel who have become redundant in such locations as Cape Kennedy, southern California, the Northwest. We further believe that employability prospects, immediate or proximate, should be weighed before persons are encouraged to enter a training program. On this principle, unemployed workers whose prospects for reemployment appear brighter at the end of training should be moved to the head of the queue in a period of recession.

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4. Our discussion of the problems of aerospace workers led us to two further recommendations:

   a. The desirability of establishing under the aegis of the National Manpower Advisory Committee a Subcommittee on Professional, Scientific, and Technical Manpower, which would be concerned with the many and growing problems involved in the employability and effective utilization of these critical manpower groups. We believe that such action would not only be responsive to large numbers of persons in the labor force who currently have no forum where their problems are assessed, but might well serve as an arena wherein constructive approaches are developed for action and implementation in both the public and private sectors of the economy.

   b. We would like to see on the agenda for our September meeting a discussion of "Federal Economic and Expenditure Policies and Their Manpower Implications." We believe that large-scale expansions and contractions of Federal expenditure programs and other policies that have widespread economic consequences should no longer be undertaken without prior consideration to their impact on the supply, demand, and utilization of manpower resources. We request that the Department prepare a background paper on this subject in advance of the meeting, and we will request Professor Ulman of our Committee, who has a special interest in this subject, to take the lead in the discussion. We believe that it would be desirable for the Office of Science and Technology, the National Science Foundation, the National Aeronautics and Space Administration, and other concerned agencies to have an opportunity to make inputs into the preparation of the background paper and to participate in the discussion.

5. We were pleased to learn that the Department of Labor is developing an improved informational system that it will use for control and evaluation of its manpower programs. We would appreciate receiving representative reports together with a description of the reports which the Department is currently developing to gain improved management control.

6. During the course of our meeting, several members of your staff referred to the Department's position concerning public service employment, the Government as an employer of last resort, and related positions involving the employability opportunities for persons who complete their training, particularly in a period of recession. Since we were not able to probe these important matters in depth, we would like to flag them now as a possible agenda item in the near future. The Committee is appreciative of the employability emphasis that is informing the Department's approach to manpower training. But it would welcome the opportunity of discussing these issues at greater length on the basis of a background paper.

7. Similarly, we had only a brief discussion of the complex issues involved in introducing flexibility in the Federal allocation of funding to cope with marked differentials in the severity of unemployment in different labor markets where demand is strong or weak. This issue takes on added importance in our view in light of the decentralization objectives of the pending bill. This is another issue that we would like to flag as an agenda item.

8. The Committee was pleased to learn of the new efforts that the Department is making to strengthen the delivery of manpower services to the rural population. Because of the substantial interest of several of our regional committees in these problems, we would welcome an opportunity to explore this area at some future date. In this connection we hope that the background paper will be cast sufficiently broadly to engage the cooperation of the Departments of Agriculture and Commerce so

that we can see more clearly how the manpower and related efforts of the Departments of Labor and HEW are dovetailed or integrated with the other programs of the Federal Government as a whole to improve the employability of the rural population.

9. In connection with our discussion of the Family Assistance Plan (FAP), the following issues surfaced:

   a. The desirability of the Federal Government's taking early action to improve its knowledge of the statistical parameters of the number of potential employables. The present estimates vary so greatly that they are suspect.

   b. The criteria that will be used to determine priorities for manpower services among both clients and labor markets. We believe it desirable to engage in a "creaming process" to speed the employability of long-term welfare clients and to concentrate additional funding in areas where the demand for labor is above average.

   c. The necessity that the manpower agencies exercise due caution in order not to prepare welfare recipients for low-paying, dead-end jobs.

   d. Early consideration of the impact of FAP on the minimum wage policy of Federal, State, and local governments.

   e. The steps that will be taken to dovetail two contradictory administrative approaches: The stress of manpower programs toward decentralization and the incentives under FAP toward Federal administration.

   f. Relatedly, the steps to be taken to parallel at State and local levels is the significant efforts that are being achieved at the Federal level for close cooperation between Labor and HEW.

   g. The efforts that should be made not only to expand but to improve the quality of staffing on both the manpower and welfare fronts as the new programs are initiated and expanded.

   h. The desirability of monitoring carefully the results of defense contractors listing job vacancies with the Employment Service.

   i. The potentialities of turning not only Federal grant-in-aid money but other Federal expenditures into job opportunities for former welfare clients.

   j. The desirability of early and careful research and evaluation of the problems encountered in achieving the upgrading goal of the new legislation. We know much less about the potentialities and limitations of upgrading than we need to know to accomplish congressional objectives.

   k. In addition to the desirability of improving manpower and welfare services to rural population, new ways must be sought to correlate Federal economic development aid for lagging areas and manpower services aimed at facilitating outmigration.

l. The importance of taking advantage of the provisions in FAP that are aimed at developing an improved informational system that will go beyond simple numbers and shed some light on the qualitative aspects of the programing and results.

m. The importance of vastly expanded efforts in family planning (as provided for in the new budget requests) as an essential aspect of improved services for the welfare and low-income population.

10. In connection with the Committee's discussion of the possible adjustments of manpower training programs to periods of cyclical declines, the following points emerged:

a. Manpower training is not the appropriate means of dealing with substantially increased numbers of unemployed persons. Other programs, such as extended unemployment benefits or temporary job creation, may be more apposite for particular groups.

b. Primary concern should be shifted from the hard to employ in favor of skilled persons whose unemployment is cyclical as well as structural and whose reemployment may depend on their being retrained in a new skill or for a new industry. The present case in point is the need to assist many aerospace workers to be retrained.

c. The Federal Government should retain a considerable sum of the total training appropriation under its own direction so that it can make larger allocations to areas with special needs and take advantage of prospects of using the additional sums effectively.

d. The Federal Government should improve its data collection and analyses of current employment and unemployment trends in order to be alert to situations calling for special treatment.

e. To the extent that a recession offers opportunities for the retraining of skilled, technical, and professional workers, as in aerospace, it is essential that forward planning be undertaken by both manpower and educational agencies in an area.

f. Since people should be retrained only for fields that are likely to expand when the recession begins to lift, improvements in intermediate, if not long-run, manpower forecasting are urgently required. In this connection specific attention should be given also to encouraging high priority national goals such as environmental control where there is a strong likelihood that additional funds will become available to support a larger manpower base.

11. Our afternoon session was directed exclusively to a consideration of allied health manpower. Dr. Zapp of HEW led the discussion in the absence of Assistant Secretary Egeberg who had planned to attend but was sent abroad on a White House mission at the last minute. Dr. Zapp was successful in outlining the key health manpower problems with which HEW is struggling and the reorientation of HEW policy to cope more successfully with them. The following points emerged:

a. Many more people are eligible to receive health services than in fact have ready access to them. Manpower stringencies are one cause of the discrepancy; poor utilization and poor distribution are the other principal causes.

b. Several members of the NMAC questioned whether it was correct to talk about manpower shortages in the health field in the face of continuing submarket wage structures for many types of workers and in the absence of unequivocal evidence that budgeted dollars are available to hire more personnel.

c. Dr. Zapp indicated that HEW policy is to encourage accelerated increases in the supply of physicians and dentists as a necessary, though not sufficient, condition to broadening access to health services for many now eligible who have limited access to them. The long lead time requires action now, if successful reforms are to be in place by 1980.

d. Attention was called to interesting new developments aimed at the improved utilization of medical manpower, both professional and allied. Note was taken specifically of experimental programs such as physicians' assistants, medex exchange of licensing, new connections so that people on the health ladder can advance to the next higher level, facilitating the civilian employment of military trained medics, etc. While there is much churning, it is still unclear whether the mechanisms exist to move from modest experimental efforts to large-scale reforms that would induce large numbers to enter and remain in the medical fields.

e. In a free society with a free market, it is difficult to surmount the distribution problem, particularly as it relates to physicians and dentists. Dr. Zapp called attention to two major developments: The current efforts to convert Medicare monies into capitation payments for group practice with a stress on furnishing better care at a lower average cost to a client population; and the prospect of a National Health Corps or some similar device whereby physicians and dentists at the completion of their training would serve in undoctored areas for a limited number of years. Our Committee felt that these and other efforts must be pursued if the availability of services is to be increased for low income persons.

f. Without in any way disagreeing with the HEW objective of broadening health services for the poor, at a price that the Nation can afford, our Committee emphasized that a balance has to be kept between more money invested in medical care and allied investments in improved welfare, food, education, housing, family planning, all of which might have as much, and sometimes more, impact on the health of the poor.

g. The Committee recognized the pervasive ways in which health insurance has long operated to expand the most costly type of inpatient care to the neglect of ambulatory services, but it did not have time to explore how the system might be turned around.

h. Among the other issues that were touched upon were:

(1) The need for educating the consumer to accept more services from allied health personnel rather than insisting on intervention from the physician or dentist.

(2) The need to reassess unemotionally the continued inflow of physicians from the developing countries to the United States and to determine whether their remaining in the United States is detrimental to their homeland; the need to adjust U.S. immigration policy in accordance with the findings.

(3) The desirability of an assessment in depth of the costs and benefits from the older OEO health centers which are now being taken over by HEW to determine whether they should be used as a model for the future.

(4) The need for a critique of the current emphasis for more "primary physicians" and a hard-headed assessment of alternatives if this approach appears to be blocked.

(5) A sorting out of the principal leverages that exist to modify the health delivery system, other than the Federal dollar, and an estimate of what is required to engage them in helping to achieve priority national goals.

(6) The danger of investing health resources in medical services to the neglect of medical research, preventive medicine, etc.

(7) The need to use Federal health dollars in such ways as to locate new facilities in areas adjacent to populations that are currently receiving inadequate services.

i. The Committee was sympathetic to the basic HEW approach which is seeking to get more social benefits from the Federal dollar in the health field.

12. Since this is the last report that the NMAC will submit to you, we want to take this occasion to tell you that we enjoyed the opportunity to be your advisors; that we appreciate the hours you spent with us in our deliberations and the guidance you gave us and the constructive and sympathetic ways in which you made use of our advice. We look forward to working in the same fashion with Secretary Hodgson. As you start on your new and important assignment, we all send you our very good wishes.

Sincerely,

[Signed]

Eli Ginzberg

CONSERVATION OF HUMAN RESOURCES
COLUMBIA UNIVERSITY
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ELI GINZBERG, DIRECTOR

October 29, 1970

The Honorable James D. Hodgson
Secretary of Labor
Washington, D.C.

Dear Mr. Secretary:

We were pleased that, despite your tight schedule, you were able to join us at the 27th meeting of the National Manpower Advisory Committee held on October 16, 1970.

I will note below the major findings and recommendations of our October meeting:

1. With the reappointment of the two labor members, our Committee is now at full strength. We hope that this augurs well for the early appointment of the members of the regional committees. It is essential to reactivate these committees as soon as possible in light of the Administration's emphasis on decentralization.

2. The Committee explored the differences between the new manpower legislation passed by the Senate and the bill awaiting action in the House. In our view, the House bill has decided advantages, particularly with regard to decategorization, restriction of the number of prime contractors, the need for dovetailing city and State plans, and the more moderate initial outlay for public service employment. While some members of our Committee look with favor on a large-scale expansion of public service employment, irrespective of its relation to manpower training, we believe that there are advantages to limiting the first year's expenditures so that the new effort can be monitored and evaluated before the optimum size of such an effort is determined.

3. During the course of our extended discussion of the new legislation the following points were noted:

   a. While the House bill provides for allocations to the States based on total population and other criteria, unless special regulations are included in the State plans that are submitted for approval, there is a danger that the rural population's needs will be neglected.

   b. The fact that the House bill does not include title V of the Senate bill, which singles out the needs of the Spanish-speaking population for special attention, particularly their need for bilingual instruction, might result in the continued neglect of this large group.

   c. It is desirable to pay more attention to the ways in which manpower training institutions and programs can be linked more effectively to basic preparatory institutions such as the schools which still carry the primary responsibility for preparing young people for adulthood.

4. We opened the discussion of the interrelations between economic and manpower planning and policies, which we expect to explore further at our December meeting under the leadership of Professor

Ulman. In this discussion, we were assisted by Dr. Moskow, formerly of the Council of Economic Advisers, and Mr. Blum of the Office of Management and Budget. The following points surfaced:

a. The Council of Economic Advisers today is much more receptive than formerly to taking manpower programs into consideration in formulating its short term as well as its long-term economic policies. It now sees manpower policy as an important supplement to monetary and fiscal policy; when the economy is on the upturn, manpower policy can be utilized to minimize skill shortages and wage pressures; when the economy is on the downturn, manpower policy can contribute to income maintenance.

b. From the economist's viewpoint, the net financial and social cost of training is less in a recession period. The difficulty is to identify the types of skill for which there will be a future demand.

c. With respect to the special problems of structural or geographic adjustment, a first effort is the establishment of the Economic Readjustment Committee in the Pentagon which will seek to provide early warnings of severe defense cutbacks in particular communities and to explore alternative ways of cushioning them.

d. To date, with only a few exceptions, the Federal Government has not taken into consideration the impact of large swings in its expenditures, either up or down, on the demand and supply of trained manpower.

e. As a partial corrective to the present and potential imbalance in the demand and supply for trained manpower, the Federal Government is seeking to reduce rapidly its support for graduate scholarships and fellowships. But, as noted below, the Committee questions whether a radical reduction in governmental support is the preferred way to deal with an important resource—the stock of trained manpower—on which the safety and progress of the country depend.

f. Another aspect of manpower programing is the preference between enlarged appropriations for specific programs and general revenue sharing. On occasion, new Federal funds made available to the States and localities, i.e., Medicaid, may contribute less to the accomplishment of the stipulated goals than to general financial relief of the recipient units of government.

g. The economic planners must also take into consideration the potential benefits which would accrue from allocating more money for manpower training or from devoting more effort to the problem of reducing discrimination. The net contribution to raising the employment level of blacks in the 1960's was aided more by anti-discrimination gains than by manpower programs.

h. Given the absence of good input-output manpower models, there is little prospect at the present time to do much "fine tuning" in manpower policy and programing. Moreover, the scale of the manpower program is too small. If the integration of manpower policy and economic policy is to be improved, research and data collection must first be improved. While the economic growth project of the Bureau of Labor Statistics provides some data, much more is needed.

5. The Committee noted that a new, vocal, and deeply unsettled minority is surfacing—unemployed scientific and technical personnel released from the aerospace and defense-related industries. In its discussion, the following points were noted:

   a. We cannot compare the present situation to periods of earlier cutbacks because currently the prospect is one of a permanent shrinkage of the entire industry, not simply a halt in its rate of growth.

   b. In the Northwest the Federal Government has done little to assist the large numbers of professional personnel who must find alternative employment.

   c. Interstate clearance mechanisms do not operate effectively. One Committee member noted that he had openings and budget for some redundant scientists but that he was unable to make contact with potential applicants.

   d. Many unemployed scientists are making desperate efforts to find alternative employment in the areas where they are now living because of heavy mortgages and personal preferences.

   e. There have been relatively few retraining programs. Stanford University has a small experimental program under way, financed by the National Science Foundation, to train the unemployed technical personnel for the field of computer sciences.

   f. Unemployed scientists and engineers on the West Coast have begun to organize themselves into a Task Force for Constructive Alternatives and as a result of meetings and pronouncements the press is pointing to a new confrontation—between this elite group and the severely disadvantaged blacks and Chicanos. If the Department of Labor is not deflecting any of its monies to the trained manpower group and if it does not intend to do so, it might want to make this clear to avoid unnecessary confusion and conflict. It would be helpful if it could state this simultaneously with an announcement of some Federal aid for the retraining of scientists and engineers along the lines of the National Science Foundation program noted above. In this connection please note that paragraph 3 of the report of our June meeting did not imply that we favored a large-scale shift of Departmental funding during a recession away from the disadvantaged in favor of persons at the top of the occupational ladder.

   g. In light of the modest efforts of many State Employment Services in providing services for scientific and technical personnel, the Department of Labor might explore the desirability of developing one or more experimental programs, possibly in coordination with professional societies.

   h. It was suggested that the Department of Labor might make a contribution to easing the transitional process by identifying fields with present or potential shortages of trained manpower into which some of the presently unemployed scientists and engineers might move.

6. Dr. M. H. Trytten, for many years the senior staff member concerned with problems of scientific manpower of the National Academy of Science, presented a discussion paper on "An Active Manpower Policy for Scientific and Professional Personnel." The following critical issues emerged:

   a. According to the Constitution, the Federal Government needs to develop a science policy in order to carry out its responsibilities for defense and general welfare. Regrettably, it has not formulated a science policy; a particular lack is the delineation of intermediate and long-run objectives and goals.

b. A scientific manpower policy—and related programing—hinges on the determination of a science policy.

c. Our knowledge base about scientific and technical personnel is inadequate. We need to know more, for instance, about the size of the unemployed pool at the present time and the various ways in which unemployed scientists and engineers are fitting themselves back into jobs. Aggregate data about professional and kindred workers are too gross to be reliable indicators.

d. There is a real danger that the Federal Government is insensitive to the long-run consequences of its present reductions (in real terms) in the financing of research and in the training of research workers. We are dealing here with a small pool of persons with strategic importance for the long-run security and welfare of the country. It is possible and potentially dangerous that the present cutbacks are not being worked out as part of a strategy for the Nation's long-range needs for such trained manpower.

e. Dr. Trytten called attention to the observation made by Dr. DuBridge just prior to his leaving the position of Science Advisor to the President that there is no adequate mechanism within the Federal Government for crystallizing and implementing a national science policy.

f. Although the National Science Board, the Office of Science and Technology, and the National Academy of Sciences provide a forum for concern with scientific manpower, from time to time this forum is inadequate for the subject.

g. The disturbance characteristic of the current scientific manpower scene is compounded by the serious financial plight of many universities, including the principal private universities which have been heavily dependent on Federal financing of research. A long-range national policy must include concern with university financing together with financing for research and for the training and employment of scientific manpower.

h. Our Committee is not making a plea for ever larger Federal expenditures for science and for the training of scientists along the same lines as have been followed in the past. But we feel strongly that the growth of the economy, including an adequate number of new jobs for all persons entering the labor force, requires a national science strategy which will be characterized by reasonable stability in Federal appropriations so that the institutions and individuals concerned can make their plans for more than a year at a time.

7. The foregoing focus on professional personnel led several members of the Committee to mention once again the continuing difficulties that we are facing as a nation in seeking to help the seriously disadvantaged groups, particularly those belonging to racial or ethnic minorities. In this discussion, the following points were reemphasized:

a. Manpower policy must be recognized as at best remedial; we must offer a second chance to individuals who have failed to profit from the basic institution—the school—which should help prepare them for adulthood and work.

b. To the extent that certain manpower efforts could be linked more closely to the schools to support work-study programs, their effectiveness might be enhanced.

c. It is crucial that political leaders and Government administrators realize that many of the people whom the manpower and related programs are supposed to help are so alienated from the entire system that they remain passive or hostile and refuse to take advantage of the services that are available. The alienated will become more involved only if they see clear and unequivocal evidence that their Government recognizes them as full citizens, acts energetically to remove various forms of discrimination, and offers them opportunities to play a role in designing and carrying out the remedial programs. In addition, more attention must be paid to effective communication between Government and the alienated groups.

d. Since our society has and will continue to have a large number of low-skill, low-paying jobs, it is unrealistic to plan to upgrade all of our labor force. Alternative approaches aimed at raising the wage level, providing more benefits through governmentally financed programs, and related measures must also be pursued.

8. At the request of our member, Mr. John T. Bareno, the Committee invited Mr. Manuel Oliverez, Director of the Manpower and Economic Development Unit of the Cabinet Committee on Opportunity for the Spanish Speaking, to comment on this facet on the agenda. In addition to the point noted in 3b above, the omission of the desirability of providing bilingual instruction in the House manpower bill, Mr. Oliverez noted his concern about the lack of attention in the House bill to the needs of migrant workers. Since the problems of migrants transcend the boundaries of any one State, the Committee assumes that the Secretary of Labor will consider the needs of this deprived population, whatever the details of the new legislation. Mr. Oliverez also called attention to the need for more analysis in depth of the problems of the Spanish-speaking population, which should be easier to accomplish when the new census data become available. Even before that time, it would be desirable for members of your staff to consult with the staff of the Cabinet Committee on points of mutual interest and concern.

9. In response to a request from your staff for guidance on the possible themes to be included in the President's Message in the 1970 *Manpower Report of the President*, the Committee suggests reconsidering the 1964 commitment to establish an active labor market policy and to see how far we have come—and how far we must still go—to bring it about. Among the subjects that the President's message might include are:

The importance of closer linkage between key institutions, i.e., schools and labor market; governmental programing and private sector involvement.

The potentialities of public service employment as a new dimension of training and temporary employment.

The need for more sensitivity in national economic policy to manpower dimensions in periods of both expansion and contraction.

The need for long-range financing for science and research at universities.

The need for economic growth and population redistribution policies.

The manpower dimensions of a more effective attack on environmental problems.

Improvement of manpower data collection and their use in policy guidance.

Improved methods of career guidance, including the needs of adults.

Improved articulation between welfare and work.

Clarification of national policy aimed at encouraging married women with children to work (child-care facilities).

Need for stronger institutions--skill centers, improved employment services, etc.

10. The last subject on the Committee's agenda was "Manpower Services for Rural Areas." A paper prepared by Dr. Dale Hathaway served as background. The following major points emerged:

a. There is reason to fear that under either the Senate or the House bill, the rural populations will again not receive a fair share of manpower services, despite the fact that they have the highest relative incidence of poverty.

b. The special weakness of the rural areas grows out of lack of political muscle and leadership. Hence it is incumbent on the Department of Labor to see that new manpower programs adequately attend to the rural population's needs.

c. Continuing failure to attend to the needs of the rural population will inevitably result in a continuing stream of poorly prepared people into urban areas. In this connection, a high priority objective should be to raise the quality of rural schools.

d. The absence of an institutional structure to provide manpower services to the rural population must be recognized and efforts must be made to develop it. In some States efforts should be made to involve the Agricultural Extension Service in providing such services. In other States the most likely institutions should be reshaped to take on this additional responsibility. We must not seek to build a wholly new delivery structure.

e. There is need to improve the information available to prospective migrants and to help them at points of relocation. At present, they frequently pass communities where employment is available and settle in large cities where their prospects are bleak. Moreover, many relocate without any knowledge of the job market or other characteristics of the cities in which they settle.

f. If improved manpower services such as outlined above were available, it is questionable whether it would be necessary for the Federal Government to subsidize migration. The transportation cost is a relatively minor part of the difficulties that migrants face. However, a loan program may be in order.

g. The country needs a growth policy which includes a population distribution policy. Our Committee was interested to learn from Assistant Secretary Rosow that some of the planning that is now under way contemplates concentrating Government development expenditures on a limited number of "growth centers" where migrants will be helped to adjust. The Committee believes that the Federal dollars expended for development so far have been spread too thin and that a more focused policy, including close liaison with the private sector, is desirable.

h. The Committee notes that if the Family Assistance Plan is passed, it will be important to move ahead as quickly as possible to develop a system of manpower services for the rural population if the employment facets of the bill are to be broadly implemented.

As you can see from this long report, our meeting on October 16 covered a wide front. We hope that the points adumbrated above will be of help to you and your staff.

Sincerely,

[Signed]

Eli Ginzberg

CONSERVATION OF HUMAN RESOURCES

COLUMBIA UNIVERSITY

NEW YORK, N.Y. 10027

ELI GINZBERG, DIRECTOR

January 4, 1971

The Honorable James D. Hodgson
Secretary of Labor
Washington, D.C.

Dear Mr. Secretary:

We were pleased that you and your senior associates were able to be present at the 28th meeting of the National Manpower Advisory Committee. I shall summarize below the findings and recommendations that emerged from it.

1. The members of the Committee were disappointed, of course, with the outcome of the efforts at legislative reform of the Manpower Development and Training Act. We believe that it is highly desirable to work towards an early reestablishment of the excellent bipartisan efforts on behalf of manpower programing that have characterized the Congress up to this point. If the Committee can facilitate the rebuilding of bridges, we shall be happy to do so.

2. Since it is uncertain whether comprehensive new manpower legislation will be enacted in 1971, we strongly urge that the following minimal efforts be made:

   a. To delineate with the Office of Economic Opportunity steps that would facilitate significant gains in decentralization and to select a limited number of prime sponsors in large cities and States.

   b. To explore whether advances toward decentralization and prime sponsorship can be worked out through administrative arrangements with HEW for MDTA and, if necessary, to request a technical amendment to the MDTA to facilitate these objectives.

   c. To request additional funding of about $200 million, of which a significant part would be used for experimentation with public service employment with the following objectives:

      (1) To determine capacity of different levels of government, from large metropolitan centers to rural areas, to develop meaningful job training opportunities leading to permanent jobs.

      (2) To explore how different units of government in a metropolitan area might cooperate to provide a stronger training component (this has been discussed in the Chicago area).

      (3) To undertake fundamental operational research about the kinds of people who are likely to be drawn into public service employment training. Specifically, does such effort provide special advantages for groups who have been victims of discrimination?

      (4) To understand the problems that emerge from the use of public service employment as a transition from temporary to permanent positions.

3. The Committee made the following distinctions among the many dimensions of public service employment:

   a. As an extension of training opportunities.

   b. As a device for providing temporary or continuing alternatives to *structural* imperfections in the labor market.

   c. As a preferred alternative to providing income for welfare recipients.

   d. As a less inflationary way of insuring that the level of unemployment is kept within reasonable bounds.

   e. As a necessary adaptation for an economy in which almost 40 percent of all jobs are in the not-for-profit sector and where growth in this sector is inhibited by the stringent financial conditions of most States and localities.

   f. As a direct and desirable way to expand needed local and State governmental services.

   g. As an alternative to the stalled tax sharing proposal.

   h. As one of the most effective ways of compensating for past and present discrimination in the labor market.

The foregoing list helps to explain why there is so much confusion in all discussions involving public service employment. You may want to consider the desirability of calling together for a weekend a small group composed of informed persons from the Administration, the Congress, key interest groups, and the academic community to clarify this multidimensional area to a greater extent than we were able to do. If you decide to proceed in this fashion, the Committee, through its chairman, is ready to help.

4. While there was no consensus among the members of the Committee about the scale and scope of a public service employment program likely to be initiated by the Federal Government, there was a strong consensus that it would be a serious error for the Administration to do nothing in this area after the President's veto of the Manpower Training bill.

5. In light of the fact that there has been no legislative restructuring of manpower programs, the Committee feels that it is particularly important to strengthen as much as possible the present planning mechanism, the Cooperative Area Manpower Planning System (CAMPS). If the Administration moves ahead, as we hope it will, to decentralize and deal with prime sponsors at a local level, special care will have to be taken to assure that local plans are integrated with area and State planning. We were informed of the many unresolved problems in planning, particularly those reported recently to the Western States Regional Committee.

6. The Committee was fortunate in having Professor Lloyd Ulman of the University of California take the lead in discussing the critically important area of manpower in relationship to economic policy. Among the important points that emerged from Professor Ulman's analysis were:

   a. The dynamic nature of the concept of full employment, which he defined as the maximum amount of unemployment that a National Administration considers politically tolerable.

   b. The unequivocal evidence that, because of oligopolistic power and other forces, both employers and trade unions are able to push prices and wages up in the face of unemployed resources.

   c. The paradox of substantial job vacancies coexisting with substantial numbers of unemployed because of structural imperfections.

   d. The recent vulnerability of the American economy to high unemployment rates among teenagers because of demographic shifts and the present movement of this cohort into the 25+ age group.

   e. The principal structural difficulties arising from shifts in the composition of demand, in product mix, in productivity jumps, and possible deficiencies in the overall level of demand.

   f. Recognition that the labor market can be subdivided into three distinct subgroups: A protected market for the highly educated, a protected market where strong trade union organizations prevail, and an unprotected market to which employees have only a marginal relationship and are consequently subject to great buffeting.

7. On the basis of the foregoing analysis, Professor Ulman suggested three policy approaches:

   a. Reform of wage and salary structures and reduction of stickiness.

   b. Operations on demand via money supply, fiscal policy, and tax cuts.

   c. Selective *reflation* in which Government would make a special effort to channel demand to where labor is and would attempt to use available labor for high priority national demands.

   It was Professor Ulman's view that more attention should be paid to the last approach.

8. During the course of the Committee's discussion of the foregoing the following emerged:

   a. An uncertainty about whether the mismatch between disadvantaged groups in urban centers and the expanding demands for labor is being reduced, remains the same, or is getting worse. This is clearly an important point for the research program of the Department of Labor to explore.

   b. A belief that collective bargaining is now entering upon an increasingly tumultuous period because more and more workers are becoming concerned about their relative position on the income scale.

   c. A belief that in the future, imperfections will be exacerbated because of the poor schooling available to the rural population and their inadequate preparation to assume positions in the urban economy subsequent to their later migration.

d. An uncertainty about whether the "market recovery" which followed the end of the Korean conflict and again after 1962 would in fact recur in the early 1970's. Reference was made to the recent speech of the Chairman of the Federal Reserve Board in which he indicated his strong belief in the need for institutional reforms if inflation is to be controlled and expansion assured.

e. The desirability of a tight labor market if significant gains are to be made by members of groups that have long been victimized by discrimination.

f. Since a tight labor market has been customarily associated with war, the country faces the challenge of finding an acceptable alternative on which it would be willing to spend large sums.

g. A doubt about whether the eradication of structural imperfections through training has been given a fair trial in light of the relatively small numbers who have benefited from training.

h. The possibility of using training on a large scale to break important bottlenecks in market imperfections in such crucial industries as construction.

9. The following critical issues emerged:

a. Are the present instruments of macroeconomic policy that the Federal Government is employing adequate to cope with the combined problems of inflation and unemployment? There was serious question that they are.

b. If new instruments are required and if public service employment is to be considered a major macroeconomic approach, the question arises whether this should be put on the back of the Department of Labor's manpower training program.

c. It does not seem advisable to juxtapose revenue sharing with public service employment. The critical issue is the appropriate role of public service employment in macroeconomic policy and whether a major effort along this line should be linked to a rather modest national manpower training program.

10. The Committee was pleased to learn that you had broken through the long stalemate with regard to the regional committees and that they are now approaching full membership and will soon be functioning. We much appreciate your initiative in this matter and we hope that the remaining vacancies on the regional committees will soon be filled. We also look forward to the early issuing of the administrative order which will spell out the relationships of these regional committees to the Regional Manpower Administrators.

Our next meeting is scheduled for March 19, 1971. We hope that your schedule will permit you to be present and participate in our deliberations since your leadership is of critical importance to us.

Sincerely,

[Signed]

Eli Ginzberg

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CONSERVATION OF HUMAN RESOURCES

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ELI GINZBERG, DIRECTOR

March 29, 1971

The Honorable James D. Hodgson
Secretary of Labor
Washington, D.C.

Dear Mr. Secretary:

This letter will amplify the summary discussion presented to you by the members of the National Manpower Advisory Committee at its 29th meeting on March 19, 1971. As indicated to you at that interchange, the Committee, which had been briefed by Messrs. Lovell and Patricelli about the major changes that are before Congress for action, did not have mastery over the many complex issues in both the manpower and welfare arenas. Too many pieces are in flux and the Committee did not have the time or background to explore all of them. However, many of the bills in the congressional hopper bear directly or indirectly on issues that have been before our Committee during the past several years and the findings outlined below are informed by both our discussions at our meeting of March 19 and our earlier deliberations and assessments.

1. With respect to the manpower revenue sharing proposal, our Committee has long favored a higher degree of decentralization. We believe it is eminently sound for Governors and mayors to have greater freedom to plan and shape their manpower programs in response to priority local needs. We realize that at present many State and local agencies have a limited planning and operating capability, but we believe that it is sound public policy to encourage and help them to develop a broader capability as quickly as possible. On the other hand, we strongly urge that some Federal control be maintained and that the results of the transfer of responsibility to the States and localities be carefully monitored by your office to insure that those most in need of manpower services have access to them. We are concerned that various minorities without political power might not share equitably in the funds that the Federal Government plans to share with the States and localities.

2. In the event that Congress does not pass the Manpower Revenue Sharing Act, we hope you will encourage the States and localities to assume more responsibility for planning and operating manpower programs under existing legislation. In this connection we were pleased to learn that the Department plans to encourage the broadening of CAMPS, to clarify its relationship to the politically responsible agency, and to insure that it receives more technical staff support.

3. Several manpower issues related to revenue sharing were discussed:

   a. We were pleased that the Administration is no longer opposed to a low ceiling on public service employment and that the size of this effort will be left to the discretion of Governors and mayors.

   b. However, while public service employment should be developed around productive jobs that the community needs, we agree with the Administration's proposal that persons slotted into them be considered trainees who, after a period of work-training, will, it is hoped move into permanent public or private jobs. We do not favor using the manpower training system as a method of permanent Federal subsidy for State and local civil service employment.

c. We returned to the problem of upgrading of workers that has been before our Committee repeatedly. We feel strongly that you might profitably reassess the underlying stance of the manpower training efforts during the past years, which has been directed to improving the employability of those who are most seriously disadvantaged, in favor of more attention to upgrading those in entrance jobs. If the latter could move up, there would be more room for the hard to employ at the bottom. In advancing this recommendation, the Committee recognizes that American industry, especially large employers, usually rely on internal mechanisms for upgrading their employees, but many have failed to establish training-promotion ladders and many others are too small to do so. We would welcome the inclusion of this subject on the agenda of one of our future meetings.

4. The larger part of our discussion focused on the manpower dimensions of the proposed reforms in welfare legislation. The direction of our thinking about some of the policy and procedural issues follows:

a. For many years, we have felt that the country should consider the interrelations among welfare, training, and employment. Consequently, we believe that the Congress is moving in the right direction when it seeks legislative and administrative reforms aimed at facilitating the movement of employable people off the welfare rolls into employment.

b. We believe, however, that the legislative leaders must be repeatedly reminded of the fact that the present major deterrents to movement from welfare to work do not lie primarily in the chicanery of individuals on welfare or weaknesses in the governmental machinery of public assistance, but are rooted in the shortage of jobs and the specific barriers to employment which face many welfare clients.

c. We note with approval that current legislative reforms are aimed specifically at removing some of the most important of these barriers through widening the spread in income between welfare recipients and workers, the establishment and expansion of child-care centers, remedial health and other supportive services for potential workers, and perhaps most importantly the expansion of public service jobs. But we wish to stress our conviction that the key barrier to the large-scale and permanent movement of many welfare recipients into productive employment is the lack of and limited access to a sufficient number of jobs which will permit people to become self-supporting. In the low income areas of metropolitan areas, inadequate transportation is often a critical hurdle; in the low income rural areas, it is often the absence of employment opportunities. These reservations are noted so that congressional expectations about the speed with which the relief rolls will be reduced as a result of legislative and administrative reforms can be informed by realistic considerations.

d. On the critical matter of work requirements and work incentives we offer the following observations:

(1) It is proper for government to insist that welfare recipients make themselves available for training and employment as a condition for their continuing to receive public monies. But it is important that in the event of conflict, the relief client have access to an adjudicatory procedure; that Government officials do not seek to force clients into jobs that pay below the statutory minimum or where the conditions of work fail to meet other governmental standards; and in the event of a determination that a welfare recipient is no longer eligible for public assistance, care be taken to insure that his children are protected.

(2) Our preference is that the new system rely to the greatest possible extent on the creation of work incentives that will encourage people on welfare to seek and hold jobs.

(3) On the proposed classification of the welfare group into two categories—those who must register for work and those who are not required to, we make the following observations. With regard to the characteristics of relief clients, we must anticipate a considerable shifting as a result of such factors as age, dependents, health. But as suggested above, the "employability" of a person will be heavily determined by the number of suitable training opportunities and particularly jobs available in his community. It would be bad public policy to put pressure on persons to get off public assistance unless realistic alternatives are available to them. An optimal effort would also permit persons not required to register for work or training to do so. Many well motivated relief clients want to get off the rolls at the first possible opportunity.

5. With respect to some of the administrative shifts and adjustments that may accompany the federalization of welfare, we make the following observations:

a. There is considerable merit in the congressional approach that seeks to transfer responsibility for the "working poor" and the "employables" to the Department of Labor as a way of assuring a closer linkage between welfare and work.

b. The Department of Labor will have to establish a special agency for disbursing cash payments to both categories of people.

c. In response to your particular question about the functions that the Employment Service should discharge under the Department's expanded responsibilities, we suggest the following criteria:

(1) The Employment Service should continue to serve as an employment exchange for a broad and growing percentage of all jobseekers.

(2) The Employment Service should increase its capabilities to provide comprehensive manpower services to all eligible persons and should assiduously avoid becoming an agency that provides services only to welfare and unemployed clients.

(3) If the Employment Service succeeds in accomplishing the foregoing, it should treat welfare clients as a subgroup of its total clientele and not direct them into special programs except when necessary.

(4) In sum, we feel strongly that the aim should be to preserve one flexible Employment Service, not two agencies, one for regular and one for welfare clients.

6. Because of the present fluidity in the legislative arena, we suggest that now might be the time to federalize the Employment Service, leaving unemployment insurance with the States to reduce the opposition to federalization. The logic of this approach is reinforced by the fact that welfare will be a federal responsibility even at the local level and it would be easier to handle the new cash payments system under the Department of Labor if its operating arm also were federalized. For many years we have believed that federalization is one clear way to strengthen the capabilities of the Employment Service and thereby to increase its prospects of meeting its much expanded and complex functions. In the event

that federalization does not prove feasible, we would recommend new legislation which would enable the Secretary of Labor to expand his influence in setting standards and by additional personnel authority.

7. We do not believe that the Employment Service, whether federalized or not, can be expected to be the sole agency to deliver manpower services to a vastly expanded clientele. At present, in many rural areas, the Employment Service is largely or totally absent. While aiming to strengthen the capabilities of the Employment Service as rapidly as possible, the Department of Labor will also need to purchase services from other governmental and nongovernmental agencies with demonstrated capabilities.

8. We were pleased to learn from you that the new apprenticeship regulations are aimed at insuring that unions which have not taken effective action to increase minority representation will be pressed to do so. We also noted that the Department of Labor has no intention of interfering with unions which can demonstrate that they have faced up to this issue and are resolving it satisfactorily. Our Committee has long wanted all parties able to affect the outcome to expand opportunities for minority group members to enter apprenticeship and to become journeymen.

9. The regional chairmen met with the Deputy Manpower Administrator on March 18 to discuss their future work under the newly issued directives which make them directly responsible to the Regional Manpower Administrator. We were pleased to learn that HEW had issued a directive to its regional field administrators which will facilitate closer liaison between the regional manpower committees and HEW field representatives. We noted that some vacancies on the regional committees had not yet been filled and we hope that your staff will facilitate the processing of the papers of those to be appointed. We tentatively arranged with the Deputy Manpower Administrator that the Regional Manpower Administrators will meet with the chairmen of the regional committees and with the National Committee at one of our meetings. We also encouraged the chairmen of the regional committees to arrange visits to manpower projects in their areas through their Regional Manpower Administrators. The Committee was pleased that, after so long a delay, the regional manpower committee system has been reorganized and strengthened and is now in a position to move ahead.

10. We were pleased to learn that the NMAC Subcommittee on Research, Development, and Evaluation is about to be reactivated, and that a newly established Subcommittee on Professional, Scientific, and Technical Manpower is in the process of formation. In the past our Committee has frequently received valuable guidance from its Subcommittee on Research, and it has felt increasingly the need of guidance in the arena of scientific and engineering manpower. We therefore welcome these two developments and hope that they will soon be operational.

11. An advance copy of the chapter on the "Critical Problems of Urban Labor Markets" from the *Manpower Report of the President* impressed the Committee with the quality of the analysis and with the way in which the chapter drew on research supported by the Manpower Administrations Office of Research and Development. The first results of the national longitudinal surveys of labor market experience, which were outlined by Dr. Rosen, were even more impressive. Mr. Hardwick, the Associate Commissioner of Education, reviewed with the Committee some of the programs by which the Office of Education is responding to some of the preliminary findings arising from this research. He called attention specifically to new linkages between child care and the educational environment and more flexibility in vocational education. The Committee passed a formal resolution commending the Department of Labor and particularly its Office of Research and Development for its foresight in

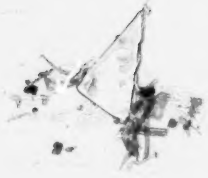
supporting a broad manpower research program aimed at increasing the effectiveness of manpower policies and programs.

Our next meeting is scheduled for June 18. We look forward to having you participate in that meeting and giving us the benefit of your guidance, particularly with reference to how we can best assist Secretary Richardson and you in your ever larger manpower responsibilities.

Sincerely,

[Signed]

Eli Ginzberg



CONSERVATION OF HUMAN RESOURCES

COLUMBIA UNIVERSITY

NEW YORK, N.Y. 10027

ELI GINZBERG, DIRECTOR

June 30, 1971

The Honorable James D. Hodgson
Secretary of Labor
Washington, D.C.

Dear Mr. Secretary:

This letter amplifies the conclusions and recommendations reached at the 30th meeting of the National Manpower Advisory Committee held on June 18, the highlights of which were reviewed with you toward the end of the meeting:

1. We were pleased to learn from the report of Assistant Secretary Lovell that the prospects look bright for a compromise bill on public service employment, which will be followed, it is hoped, by a comprehensive manpower bill. We have believed for some time that the Federal Government must move into the arena of public service employment if it is to construct a comprehensive approach to manpower programing. Moreover, we have placed a high value on the longstanding cooperation between the two political parties in the manpower field, a relationship which in general was strained to the breaking point during the past months. We strongly urge therefore that the Administration attempt to insure that the prospects for renewed cooperation and constructive legislation are realized. We continue to support broad decategorization of manpower programing with more planning and operating responsibility assigned to the States and cities, although we believe that the manpower revenue sharing proposals submitted go too far in that direction. While we are somewhat uneasy about the new bills defining veterans as a category which deserves special attention equally with the disadvantaged, we agree with your remark that often veterans and handicapped groups are noncompeting groups and efforts to place veterans do not necessarily imply fewer jobs for the disadvantaged. However, we recommend that if the legislation is passed, this potential, if not actual, competition be carefully monitored and evaluated.

2. We commend the Department for having moved to transform and strengthen CAMPS through a series of administrative innovations aimed at increasing the scope for local and State planning for manpower programs, including in particular the framework for the participation of both nongovernmental and governmental agencies in such planning, and further for attempting to develop staff competence for this reorganized effort. We hope that, among other gains, this new effort will reduce much of the wasteful instability in the present effort resulting from short lead times for planning and starting operations.

3. The recent Executive order stipulating that all Federal agencies, together with prime and principal subcontractors, list their job vacancies with the Employment Service is clearly an important move to strengthen the only major agency of national scope involved in the delivery of manpower services. We commend the issuance of the order although we must note that the exploitation of this new opportunity will not be automatic. Job vacancy notification plus more job banks create the background for more and better placements but do not necessarily assure them. Considerable operational research and management effort will have to be undertaken by the Employment Service if this new opportunity is to result in more and better jobs for the disadvantaged. As was indicated in our discussion,

the availability of more jobs in shipyards is not likely to increase the employability of AFDC mothers who want to reenter the labor market.

4. In the expectation that the Family Assistance Plan will pass, we note again the possibility that the Federal Government will follow the decentralization route with respect to manpower and the centralized route with respect to welfare. We have no special advice to offer with regard to how to avoid the confusions that loom ahead; however, we stress the desirability of concentrating manpower services in the field under a single agency although many different agencies may have an operational role to play in delivering services. The potential confusion might be reduced if the Employment Service were federalized. This might be politically palatable if the unemployment insurance functions were to remain a State responsibility. While our Committee did not have the opportunity to consider this issue in depth, we see sufficient difficulties on the administrative horizon to recommend strong preventive action. If certain legislative measures pass, the manpower budget of the Federal Government is likely to top the $5-6 billion level within a year or two. The best possible administrative structure will have its work cut out for it.

5. The Committee was briefed by Mr. Cook of HEW about the Administration's position with respect to the competing proposals for the expansion of child care. We noted that the problem was complicated by the different objectives of the different sponsors. In our view, a sharper distinction should be made between certain programs concerned with child care, such as Head Start, which is focused on providing improved developmental opportunities for disadvantaged children, and the provision of conventional child care, which is geared to facilitating the employability of mothers of young children. We question whether there can be a significant expansion of the latter if the objectives of the former are central to the programing. The cost can come to $2,600 per child—clearly a prohibitive figure for a large-scale expansion. On the basis of our earlier, more detailed deliberations about child care, the Committee notes that many benefits can accrue to children from disadvantaged families even if the program is limited to physical supervision, group activities, and modest meals. In the absence of new and compelling evidence, the consensus of the Committee is that it is desirable to expand child care facilities rapidly to meet the needs and desires of women with young children who wish to work without overloading the program with desirable but expensive ancillary developmental goals. We believe that a mother who can improve the quality of her life by working will make a contribution to her child's growth and development.

6. The Committee learned and approved of the current efforts of HEW to establish a manpower policy unit at the level of the Office of the Secretary so that greater integration could be achieved among the almost 100 departmental programs with a manpower component. Our Committee had earlier noted the lack of integration among manpower programs and was pleased to be informed of the progress that is being made to deal with this admittedly difficult problem.

7. The Committee opened a discussion of public service employment which it plans to pursue at length at its September meeting. We noted that there is a danger that public service employment will be viewed as a panacea for the complex manpower problems facing the country, in much the same

manner that training the disadvantaged was considered a cure-all in the 1960's. The following were among the points that surfaced during our preliminary discussion:

a. How is public service employment related to cyclical and structural unemployment? Does it have a real part to play in moderating unemployment when the rate is, as at present, above the 6 percent level?

b. What is the relation between public service employment and public employment? Are they the same or different and, if they are different, in what respects do they differ?

c. How should the wage-salary levels for public service jobs be determined? Should the objective be to raise low wages in the area or should it be to leave the local wage structure intact?

d. To what extent can the employment and wage aspects of public service employment be handled more effectively through the use of private or nonprofit contractors, although the funding is exclusively governmental?

e. What types of public service employment in the past appear to have been successful, and in what areas are experimental and demonstration programs probably the best way to proceed?

f. How can the data that are being collected from the five-State survey of public employment be used to design more effective programs?

g. What is known about the potential problems involved in communities' deciding among the alternative ways in which new financing can be used to expand and improve governmental services? If these problems are severe, does this indicate the desirability of a strong role for the Federal Government in the design and implementation of the program?

h. Should the program be structured so that people are encouraged to move into alternative employment at the earliest possible time? Or should the program have training and upgrading components which are directed to improving the long-term career prospects for those individuals who are assigned to the program?

i. What actions will be required to alter existing State and local governmental regulations (no hiring of a person with a police record, for example) to assure that priority applicants are accepted into the program?

j. What are the economics of public service employment? How many jobs, of what duration, at what wage levels, should the Government seek to provide relative to other employment-generating measures?

8 During the discussion of noncompetitive employment in relation to welfare reform, based on a paper that Dr. Beatrice Reubens prepared for the Committee, the following desiderata emerged:

a. The desirability that the Secretary of Labor have a role in the definition of employability.

b. Early administrative action to minimize the excessive movements of people between the two groups (nonemployables and employables) based on alterations in their status.

c. The desirability of developing criteria for priority listings of eligibles in different areas, depending on their characteristics, labor market conditions, availability of supporting services, etc.

d. A critical review of the draft welfare bill to note where the term "his" really means "hers" and the implications for policy and programing resulting from the fact that so many registrants will be women.

e. The importance of balancing the incentives and pressures on eligibles for welfare to get off the welfare rolls with easier return to welfare if they later lose their jobs. The available research points to the ebb and flow of people moving between work and welfare.

9. With respect to the European experience with regard to work and welfare, Dr. Reubens called attention to the following:

a. The failure of most countries to differentiate income from transfer payments (welfare) and income from employment. Receiving welfare is not considered the equivalent of being employed, but no stigma attaches to persons on welfare since it is presumed that they are unable to find employment and they must receive some income.

b. The Europeans have put permanent remedial programs into place and seek to move people through these programs. They are less likely to keep shifting their approach so that both the program and the people are not in constant flux.

c. In general, the Europeans have not found it desirable to put a terminal date on the length of time a person can be in a noncompetitive job. They consider this anxiety-arousing and unproductive. Rather, they resort to incentives and pressures to move workers into alternative (competitive) employment if the opportunities exist.

d. The Europeans recognize and accept the fact that it is often less expensive to provide transfer income than employment opportunities for the disadvantaged. However, the Dutch, in particular, believe that everybody capable of working should work.

e. Noncompetitive job creation involves the following:

(1) Public service employment

(2) Industrial rehabilitation units
(sheltered workshops for some persons prior to their moving into competitive employment)

(3) Subsidized jobs in the private sector

(4) Subsidized production workshops
(quasi-permanent employment)

(5) Subsidized self-employment opportunities for handicapped persons.

f. The Europeans tend to pay prevailing wages, are willing to use private contractors for supervising public work, use noncompetitive employment as a partial answer for both seasonal and regional unemployment.

g. Dr. Reubens warned that the relevance of the European experience for the problems facing the United States is limited because most European countries have unemployment rates of between ½ and 2½ percent.

10. The efforts of the Departments of Labor and HEW to provide new and improved services to migrants were described and in the ensuing discussion the following points emerged:

a. It is essential that the Federal Government take the initiative to settle increasing numbers of migrants in the nonagricultural sector because of the clear evidence that the demand for migratory labor will continue to decline.

b. The Federal Government must attempt to insure that migrants have access to basic services–health, education, welfare–which is not now the case. Consideration might be given to defining interstate migrants as wards of the Federal Government so that the responsibility for providing these services is placed clearly on the Federal Government.

c. The Committee was pleased to learn of the efforts that the Department of Labor has recently initiated to help migrants (The Last Yellow Bus), and the parallel efforts of HEW to draw together the resources currently distributed among the large number of departmental programs so that they can be more effectively directed to the migrant and his family.

d. The Committee was also pleased to learn that special consideration is being given to involving nonprofit organizations concerned with improving the status of the migrant population both in agriculture and through settling out. The Committee approves of HEW's placing importance on the employment and training of paraprofessionals to improve the delivery of services to the migrant and his family. However, the Committee does not see how the current efforts will insure that an effective delivery system will actually be put in place in the field, given the mixed Federal, State, local responsibilities.

e. The Committee also recognized that the failure of the agricultural labor force in general, and the migrants in particular, to participate fully in the benefits of social and labor legislation would make any remedial efforts such as The Last Yellow Bus marginal at best. The Committee suggests, however, that its regional manpower advisory committees in the areas where settling out is under way seek to appraise these efforts.

11. Its discussion of the migrant problem led the Committee to recommend that the broader issue of the rural poor be placed on its agenda for its December meeting, and that the background papers for that meeting include a paper on illegal immigrants.

12. Professor Hansen of Utah State University briefed the Committee on his assessment of the British Industrial Training Act and its relevance for the United States. The Committee's response was as follows:

    a. The differences between the two countries in terms of both in-plant and out-of-plant managerial, technical, and skill training are sufficiently different to warn against any simple attempt to adopt the British experience.

    b. The United States does not appear to have the same order of difficulties on the skill front as did Great Britain when it passed the Industrial Training Act.

    c. While many small employers in the United States probably could profit from technical assistance in training, no experimental model has yet been designed and tested which would indicate how such assistance can best be provided. The building up of a new Federal-State corps of training advisors does not appear to be the answer.

    d. More knowledge about the training needs of small employers is needed before a decision can be reached whether Government funds should be directed to this end, and experimental programs must be developed to explore how such services could best be provided. The consensus of the Committee was that steps should be taken slowly on this front. It does not consider governmental involvement in training as a critical manpower dimension in the United States.

13. The Committee noted that the several manpower bills differ with respect to the statutory provision of advisory committees and the submission to the Congress of a *President's Manpower Report.* The Committee strongly favors the continuance of the status quo: A statutory advisory committee with broad representation, and the submission of a *President's Manpower Report.* We do not believe that an advisory committee with an independent staff which would report annually to the American people would be a sound structure since it would place such a committee in a supervisory role to the executive departments and the committee would thereby lose its ability to advise and recommend new directions. On the other hand, we would be distressed if what may soon be a $6 billion or even larger manpower program did not provide for a statutory advisory committee and did not require the President to report annually on manpower requirements, supply, training, and utilization. In fact, the Committee favors the Congress' returning to the practice it followed for only 1 year of holding joint hearings on the *Manpower Report of the President.*

14. We were pleased to learn that the Department of Labor is moving ahead to develop a limited number of training institutions as a means of upgrading its personnel in the planning and delivery of manpower services. We had earlier recommended such action, since we believe that strengthened administrative capability is essential for good programing. We noted that the Department's preliminary planning includes the staffing of this training effort primarily with civil servants. While we recognize the need for stressing operational problems, we question whether the best arrangements necessarily point to exclusively internal staffing. The Committee would appreciate an opportunity to review and comment on the Department's plans as soon as they have been more fully developed.

15. The Committee was pleased to learn of the organization of the newly constituted Subcommittee on Professional, Scientific, and Technical Manpower under the chairmanship of Dr. Allan Cartter. It recommends that this subcommittee be provided with a modest budget by the Department of Labor

to insure that it can develop the background materials to guide its discussions. We further suggest that the assistance of the new subcommittee be elicited in preparing a chapter for the next *Manpower Report.*

16. The approaching 10th anniversary of the passage of the Manpower Development and Training Act in March 1972 leads the Committee to recommend that this occasion be used to review the progress that has been made and to chart directions for manpower programing for the 1970's. It stands ready to assist in any way that it can.

We meet next on September 17 and we hope that you will again be able to meet with us.

Sincerely,

[Signed]

Eli Ginzberg

CONSERVATION OF HUMAN RESOURCES 31

COLUMBIA UNIVERSITY

NEW YORK, N.Y. 10027

ELI GINZBERG, DIRECTOR

September 28, 1971

The Honorable James D. Hodgson
Secretary of Labor
Washington, D.C.

Dear Mr. Secretary:

I will summarize below the principal findings and recommendations emerging from the 31st meeting of the National Manpower Advisory Committee on September 17.

1. On the preceding afternoon, the chairmen of the regional advisory committees met informally and exchanged information about the operational problems which resulted from their new relations with the Regional Manpower Administrators. Mr. Boynton, who chaired this informal meeting, reported to our Committee that the exchange had proved constructive and that the regional chairmen planned to repeat the pattern of meeting with each other prior to a scheduled meeting of the NMAC. The regional chairmen decided, inter alia, that it was essential to involve actively in their work the Regional Manpower Administrator as well as the regional representative of HEW; to hold between two and four meetings annually; to rotate the site of their meetings; to give a prominent place on their agenda to manpower issues of concern to the specific area where they hold their meetings; and to play a role, in association with staff in Washington, in planning and carrying out manpower seminars in their respective regions with key manpower agents (Governors and mayors).

2. The 31st meeting found the NMAC with a substantially altered membership. We welcomed four new members and three others who were appointed ex officio. This broadened membership should prove a major source of added strength to the Committee.

3. The principal recommendations emerging from recent meetings of our Subcommittee on Research, Development, and Evaluation and the Subcommittee on Professional, Scientific and Technical Manpower were reported and approved:

   a. In light of the approaching 10th anniversary of the research program, the Subcommittee on Research, Development, and Evaluation stressed the desirability of undertaking a broad evaluative review to note the areas in which progress had been made and those in which the research effort seemed headed for a dead end to provide direction for future efforts.

   b. This subcommittee also recommended that attention be paid to sponsoring research on manpower problems of crime control agencies, an area which in its opinion had been neglected by social scientists.

   c. The newly organized Subcommittee on Scientific Manpower saw as one of its primary tasks getting the "major scientific and professional societies talking to each other and working closely with some monitoring group."

d. The Subcommittee on Scientific Manpower also noted that it should have some concern "in reviewing the success of the two new emergency programs to meet unemployment in scientific and technical areas." With respect to the Emergency Employment Act it suggested the desirability of extending the concept of "public" to include "public service nonprofit institutions--particularly appropriate in the field of education."

4. Assistant Secretary Lovell briefed us about recent program and budget developments. In summary, these were the Committee's reactions:

a. We were pleased to learn that, even under existing legislation, the Department of Labor is seeking to increase the role of the Cooperative Area Manpower Planning System in determining specific local manpower mixes for future programs. We recommend, however, that the Department seek to increase its present efforts to strengthen the local planning capability. The conference at the University of Utah of last April underscored pervasive weaknesses in manpower planning capabilities at the local level.

b. We noted that, in future decentralization, every effort must be made through strong Federal guidelines and monitoring to assure that minority group representatives are included in local planning groups.

c. In connection with the contemplated hearings on new manpower legislation, we believe that an effort should be made to free the Employment Service from having to apply a work test for food stamp recipients.

d. We strongly urge that the Office of Management and Budget release at least some part of the new funds required to enable the Employment Service to take advantage of the compulsory listing of job openings by Federal contractors so that it can strengthen its placement efforts.

e. We urge the Department to explore further whether the President's order requiring listing cannot be extended to include job openings in State and local governments.

5. Dr. Marvin Kosters briefed the Committee on the phase II plans which are being developed for the price-wage stabilization program. He stated that if the President's tax program is approved, models which have been developed indicate a strong expansion in employment. We believe, however, that such an expansion may be long delayed and that the Department of Labor should explore alternative policies aimed at reducing the currently high level of unemployment.

6. During the course of the Committee's deliberations, repeated reference was made to the current and prospective surpluses of educational manpower and its possible solution to this problem.

a. Concern was expressed about the fact that educational surpluses are arising at a time when increased numbers of black youth are earning a baccalaureate or higher degree. If these young people are unable to find jobs commensurate with their qualifications, it would reinforce their underlying suspicion that the "system" is rigged against all black men, even those who made an effort to succeed.

b. When added to the considerable numbers of currently unemployed intellectuals, the large new inflows should be considered an opportunity as well as a threat. The country would be in a preferred position to raise the quality of mathematics and science instruction in high schools, to find competent supervisory staff for an expanded day-care effort, and to staff up for ecological control if it could underwrite the employment of many unemployed scientists, engineers, teachers.

c. The question was raised about the long-run posture of the Department of Labor with respect to using MDTA monies for the retraining of professionals.

d. In light of the relatively low level of competence in many critical fields–i.e., child development, social work, medical services–the hope was expressed that the Federal Government would explore ways to utilize the present and potential "over-supply" of high level talent to improve the quality of these important services rather than to pursue policies aimed at reducing the prospective supply.

7. Mr. Mirengoff briefed us on the present status of the Emergency Employment Act. The following points emerged in the ensuing discussion:

a. Our Committee was impressed with the speed with which the program has been launched but is concerned that those placed on the payroll may include only a small number of disadvantaged persons. We look forward to learning about the characteristics of those who have been hired as soon as the data become available.

b. With an average cost of training at about $7,200 a person, it is clear that the present program can have only the most modest impact on the current level of unemployment. For this reason we are interested in the demonstration efforts that are planned to determine the potential impact of a much larger employment creating effort which will ensue if resources are concentrated in a selected number of cities. We support this approach but urge the Department to seek expert consulting assistance in the design of these demonstrations since to trace the impact on the individual, the local economy, and the community is difficult.

c. We noted the desirability of the Department's using these Emergency Employment Act (EEA) funds to encourage local and State civil service commissions to revise their rules and regulations to facilitate the hiring of minority group members, many of whom are currently barred by capricious rules and regulations such as that which precludes employment of a man with an arrest record.

d. We were impressed with the administrative requirement that one-half of the new openings in the regular civil service system would be filled by EEA personnel in the same occupational classification. In this connection we noted the possible need for special training to assure that EEA-funded personnel are fully qualified when such openings become available.

e. The proliferation of work-related programs makes it essential that the Department of Labor take leadership in monitoring the wide variations in wages and earnings in publicly financed employment and, at the first opportunity, submit recommendations to Congress aimed at eliminating gross inequities.

8. Mr. Heartwell, president of the Interstate Conference of Employment Security Administrators, talked informally about the ways in which the relations between the Federal Government and the Employment

Service could be strengthened. His major emphasis was on the early involvement of the Employment Service leadership in Federal Manpower planning and programing. In turn, one of our Committee members pointed out that if the credibility of the Employment Service is to improve, particularly among minority groups, it is essential that the State leadership bring minority group personnel into an active advisory role. For the most part, this has not been done in the past. Mr. Heartwell also called attention to the following points:

a. The fact that the Employment Service has had to absorb about 45 new manpower programs since 1965.

b. The lack of clear indication from Washington about the priority programs on which the Employment Service should focus.

c. The long-term disinterest of Governors in manpower policy—at least up to the recent passage of EEA.

d. The pervasive negativism of many employers and trade unions towards the Employment Service.

e. The failure of many critics to appreciate the constructive shift in the Employment Service's approach to minorities, both as staff and clients.

f. The necessity that the Federal Government remove incompetent administrators in the Employment Service.

9. A discussion of the proper role of upgrading in a Federal manpower program led to the following conclusions:

a. The principal limitation to upgrading is not lack of training opportunities but a larger number of potential candidates for promotion than of jobs available into which they can be promoted.

b. In many instances, upgrading occurs with little or no training—surely little formal training.

c. Large employers generally have no difficulty handling their upgrading problems and this applies to most small employers.

d. The opportunities for upgrading fluctuate severely during the course of the business cycle. Accordingly, the problem is more acute during a rapid and sustained period of employment expansion. But even in the late 1960's most employers encountered few difficulties in meeting their skill needs.

e. The following are the principal justifications for Federal support for upgrading:

(1) To broaden access of minority groups to better jobs. In the absence of Federal assistance they might not have an equal chance to be promoted.

(2) Federal support would make possible experimental and developmental efforts aimed at helping employers re-design their occupational structures with an aim of increasing the opportunities for upgrading.

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(3) It would also help to expand tuition-free or subsidized training opportunities to make it easier for ambitious workers to add to their skills in their efforts to upgrade themselves.

(4) In the face of acute manpower shortages in high priority fields (education, health, etc.), the Federal Government may be justified in providing Federal assistance to facilitate upgrading.

(5) Through technical assistance of various sorts the Federal Government might facilitate improved linkages between the employment and educational-training systems that would prove helpful to small employers and their employees.

f. All discussions of upgrading must start with the premise that a majority of the American work force is "overeducated" for the jobs that it holds; in the case of profitable companies half of the costs of training related to upgrading are covered by the Federal Government through the present tax system; since most of the gains from upgrading accrue to the company and the individual, there are few "externalities" and hence no justification for using public funds except in the special cases noted in (e) above.

The Committee regretted that both the Under Secretary and you were out of town on the day of our meeting but we hope that your schedule will permit you to spend some time with us at our next meeting, which is scheduled for December 10.

Sincerely,

[Signed]

Eli Ginzberg

CONSERVATION OF HUMAN RESOURCES

COLUMBIA UNIVERSITY

NEW YORK, N.Y. 10027

ELI GINZBERG, DIRECTOR

December 17, 1971

The Honorable James D. Hodgson
Secretary of Labor
Washington, D.C.

Dear Mr. Secretary:

I am pleased to summarize the principal findings and recommendations which emerged from the 32d meeting of the National Manpower Advisory Committee on December 10. This will be a more inclusive analysis than the summary of the meeting which we discussed with you toward the end of Friday's session.

Our agenda was divided between two major subjects: Career education and rural manpower. Dr. Sidney Marland, the Commissioner of Education, made the first presentation; Professor Ray Marshall, the second.

1. Commissioner Marland made the following points which served as background for an extended discussion among the Committee:

   a. The need to find a new focus for our large educational effort because of the relatively low productivity of the $85 billion industry, which is reflected in the high proportion of young people who complete their schooling without a marketable skill.

   b. The hope and expectation that "career education" will provide both new focus and new direction to all levels of the educational system by relating the pupil's education and training to his life and career objectives.

   c. Major curriculum planning is under way in 15 principal career fields. Six school systems are cooperating with the Office of Education as demonstration areas.

   d. The Office of Education is exploring four major models:

      (1) Transforming elementary and secondary schooling to place carrer planning in the center of their efforts.

      (2) Developing industry-related education and training efforts so that work/study programing will become possible for many young people as young as 13 or 14.

      (3) A home model, making use of modern technology (TV etc.), to facilitate the education and training of home-bound women.

      (4) An institutional effort directed at people who are in training centers, hospitals, prisons.

e. Included in the putative gains from this large-scale reform are:

(1) Preventing young people from experiencing failure in school.

(2) Helping them to develop a sound self-identity.

(3) Deflecting large numbers of unqualified youngsters from the mirage of college.

(4) Raising the status of noncollege jobs.

(5) Enabling people to move back and forth between school and work in accordance with their changing expectations and needs.

2. Our committee, while strongly in sympathy with the Commissioner's new approach, raised the following caveats, more as constructive criticism than in opposition to "career education" as an idea, a plan, or a program:

a. Great care must be taken to avoid work/study programs as a back entrance into child labor.

b. Career education may be used to discourage the disadvantaged from seeking admission to college; this in turn might prevent some of them from rising on the social and economic ladder.

c. The educational planners must exercise caution not to "oversell" the new approach, which can work only to the extent that employment and career opportunities for all people are improved.

d. It will be necessary to elicit the support of the academically oriented educational community in this effort. If vocational educators take over, the effort is doomed because they alone cannot restructure the educational establishment.

e. The reform must be mounted with the realization that little if any new money will be made available by a resentful electorate which feels that it has been oversold on education.

f. The capability of the Federal Government to bring about the specific reforms required at local and State levels is limited; consequently, multiple models in the field which can serve as demonstration projects are desirable.

g. Guidance and counseling, which is conspicuously weak in the career arena, is critical.

h. It will be necessary to loosen the importance of credentialing; otherwise, career education cannot succeed.

i. The proponents of the new program must not oversell it. With limited opportunities and with the unemployment rates at an unacceptable level, many people will be unable to find suitable work regardless of how they are educated or trained.

j. It is impossible at present to develop sound manpower forecasts. Hence career education must present opportunities for retraining to help people refit themselves into a changing economy.

k. The school system must be reformed so that it can perform its basic task of providing basic knowledge and skills.

l. There is a danger that the Federal Government will once again perform good prelaunch efforts and fund a few interesting experimental and demonstration projects, but will fail to mount the long-term efforts required for carrying through a major reform.

m. It will be necessary to test the assumption that business will cooperate in providing opportunities for good work/study programs.

n. It will be desirable to study the European experience in depth, since Germany, Sweden, the United Kingdom, and other countries have experimented selectively with career education.

o. Paper planning in Washington must not be confused with broad support in the hinterland. At present, national interest and support for career education is modest. More dialogue and involvement are required.

p. Education must be considered a consumption as well as an investment goal. The work force is already conspicuously overtrained for the jobs available, and widespread discontent has resulted.

3. In sketching the background of our rural manpower problems, Professor Marshall noted that:

a. The rural population, as distinct from the farm population, includes about 54 million people, and is not declining.

b. Manufacturing has been growing in rural areas, but new firms often contribute little to the relief of local unemployment and underemployment because they draw their labor force from a large radius.

c. Rural people have not received their proper share of Federal dollars for service programs.

d. Poor rural people tend to be politically powerless and economically vulnerable if they seek to organize themselves to vote or otherwise take joint action.

e. Many rural people are poorly educated, which inhibits their successful relocation.

f. Even part-time employment and other modest income earning opportunities can go a long way to raise the standards of living of many rural people.

g. Disgraceful conditions prevail in many low income rural areas, including inadequate nutrition, health services, housing, etc.

4. The NMAC endorsed the following recommendations discussed or advocated by Professor Marshall to strengthen rural manpower:

a. Legislation aimed at accomplishing the reduction of the number of illegal immigrants by penalizing employers who knowingly hire them.

b. Legislation that would make farmworkers eligible for unemployment insurance, workmen's compensation, improved coverage under the Fair Labor Standards Act, and coverage under the National Labor Relations Act.

c. Administrative actions aimed at improving the collection and analysis of data relating to farm manpower, including indexes of rural poverty, rural standards of living, etc.

d. More effective Federal enforcement of antidiscrimination laws in such critical areas as voting, acquisition of capital, sale of land, employment, and distribution of governmental services.

e. Administrative reforms in which the Department of Labor increasingly assumes responsibility for improving the human resources development of the rural population with support from the Departments of Agriculture, Health, Education, and Welfare, and Housing and Urban Development, and other agencies with resources that can be used to this end.

f. The strengthening of Federal efforts to achieve a high employment economy and welfare reform. These are critically important objectives for improving the condition of the rural population.

g. Strengthened research and planning directed to the formulation of a national location policy including assessment of the potential of growth centers.

5. The Chairman of the Mountain States Regional Manpower Advisory Committee recommended that his region be designated as a demonstration area for the purposes of developing a regional manpower policy program; that the Secretaries of Labor and HEW designate their regional representatives to work through the regional interagency council to the end of improving the use of Federal funds from all sources to strengthen the delivery of regional manpower services and in the process to assist in developing a group of competent manpower programers.

6. The NMAC had an initially favorable response to this proposal and suggests that it be elaborated by the Mountain States Regional Manpower Advisory Committee for submission, study, and favorable action by the involved Federal departments.

7. The discussion of rural manpower problems called attention to the following additional dimensions:

a. The desirability of the Federal Government's reviewing its policies governing green card holders and the expansion of American factories on the other side of the Mexican border to assess in depth their manpower repercussions on American labor.

b. The potentiality of expanding the interest of the cooperative Extension Service in the Department of Agriculture to play a larger role in the strengthening of services to the rural population, particularly low income groups.

c. An assessment of the potentialities and limitations of Federal assistance to cooperatives and development corporations aimed at improving the economic and political position of the rural poor.

d. The need for research on the manpower dislocations that are likely to follow the increased mechanization of tobacco.

e. Critical review of Federal subsidy policies in the South (Lytton shipbuilding in Mississippi) with an eye to encouraging contractors to hire more disadvantaged workers in the area.

f. The role of transportation in the underutilization of rural manpower and the potentialities for corrective action.

8. The NMAC responded to the briefing of Assistant Secretary Lovell on current legislation and related developments as follows:

a. The President's veto of the Office of Economic Opportunity bill because of its ambitious goals for child care was assessed in terms of our earlier position, outlined in paragraph 5 in our letter of June 30, 1971, to you, in which we favored a broad program (including welfare and nonwelfare families), but one in which special efforts are made to keep costs from escalating.

b. We believe that despite a cut of $40 million in its budgetary request, the Department should explore possible action to encourage the Cooperative Area Manpower Planning System to assume more initiative in recommending adjustments in manpower programs without new monies. Could the Department guarantee to local CAMPS that recommended cutbacks on their part of specific programs would not result in their receiving less money in total than in the preceeding year?

c. We were pleased to learn that welfare reform legislation is scheduled to be out of committee this spring and that the outlook for the passage of a new comprehensive manpower bill is favorable.

d. We noted with approval that most of the Emergency Employment Act money has been obligated and that the Department is taking aggressive action to see that the contracting agencies launch their programs, under threat of losing their funds if they delay.

e. The Committee noted the action of interested groups who go to court to challenge administrators who fail to act in compliance with the statutes or regulations. We view this as a contribution to improved administration as long as it does not turn into harassment.

9. Dr. Allan Cartter, Chairman of the Subcommittee on Professional, Scientific, and Technical Manpower, reported briefly on the work of his newly organized committee; on the liaison he is establishing with the major professional societies to explore how better to coordinate their efforts at manpower monitoring; on the subcommittee's exploring where and how the Federal Government might take a more active role in data collection and interpretation; and on the range of policies that might contribute in the short and particularly the long run to the improved utilization of scientific manpower.

The Committee was pleased to learn of the Department's plans to note the 10th anniversary of the passage of MDTA with appropriate ceremonies, probably on March 16, 1972. We look forward to seeing you at that time and at our quarterly meeting on the following day.

Sincerely,

[Signed]

Eli Ginzberg

III. APPENDIXES

1. SUPPLEMENTARY DOCUMENTS

Critique of MDTA by Messrs. Beirne and Schoemann from Point of View of Trade Union Movement

3d Meeting, May 16-17, 1963

We have now had more than 8 months of experience with the Manpower Development and Training Act. It is an appropriate time—as we prepare to move into the new fiscal year—to examine some of the administrative and operational shortcomings which have generated a good deal of criticism.

No doubt, the Government people who are directly involved in the work of the MDTA will disagree with many of these criticisms. But they at least ought to be discussed thoroughly, to seek to achieve a better meeting of minds. To ignore these complaints is to court the danger of total disenchantment with the retraining concept and, eventually, the loss of this very important instrument of manpower policy.

In particular, we are concerned with some of the criticism that has developed within the labor movement because unions were among the foremost advocates of the MDTA when it was first conceived. It should be understood, however, that the basis of our concern is not simply a narrow, self-interest point of view. It is much broader, as our comments will indicate.

It is our hope that, after a thorough review of some of the problems that we point up, the National Manpower Advisory Committee can develop recommendations which will be followed by the Government to remedy the deficits which may exist in the present administration and operation of the program—so that the goals, priorities, and procedures will be clear and explicit.

I.

There are simply too many instances of the absence of State and local advisory committees in areas where training programs are being undertaken, although the Secretary of Labor's letter on this subject went to the Governors 5 months ago. This letter was accompanied by the guidelines adopted by the NMAC which, under the law, has a responsibility for the development of these committees.

From the record to date, one must inevitably conclude that a certain amount of bureaucratic indifference exists—if not at the Federal level, then certainly at the State and local levels—despite the fact that such citizenship participation is the best way to assure widespread understanding and support for the program.

The MDTA regulations issued by the Secretary require the creation of State advisory committees, so there is no valid reason why they do not already exist in every State which has a program in operation. In view of its responsibility in this area, the NMAC must be concerned with this lack of significant progress.

Perhaps even more important, however, are the local advisory committees. These are not required by the regulations, although their role—in assuring understanding and support for the MDTA and in assuring the soundness of training projects—is more crucial. If they cannot be required for legal reasons, then there should surely be a very forthright expression that we regard them as essential, even more essential than the advisory committees on any other level because of their proximity to the actual operation of training activities.

In our view, a major effort must be made to promote the development of these local advisory committees. And, in the absence of a full-scale advisory committee in any community, all interested parties should be consulted about a proposed program or project before it is approved by the Department of Labor.

While this type of consultation is essential where local advisory committees do not exist, it is also highly desirable even where they do. The members of the committee will represent broad interests but they cannot be expected to be familiar with the detailed needs of each occupation, skill, craft, or industry in the community. For this reason, a system of ad hoc consultation with interested parties who are not serving on the local committee should be automatic.

Unless and until there is in existence a system of State and local advisory committees and, in addition, a practice of ad hoc consultation, the complaints that are raised over all phases of our training activities will be that much more difficult to handle, when they could be prevented from ever arising in the first place.

It goes without saying that the advisory committees should be representative of the major groups and

institutions in the States and communities, as was suggested in the guidelines adopted by the NMAC. Where this is not the case, the appropriate authorities should be requested by the Secretary to make whatever adjustments are required in the committee's makeup.

II.

The determination of vacancies for which training will be provided is the crux of the entire manpower retraining effort. And the judgments that are applied at this stage are most apt to generate complaints, and they have—as the administrators of the program can readily attest.

To some extent these judgments are governed by certain criteria established in the MDTA regulations. Is it the criteria or is it their interpretation which is the problem? Or do we in fact ascertain that the wages and working conditions do meet the prevailing practice in the community as is required by the regulations?

It should not be difficult at any time to find vacancies in a community because there are always some employers who are ready to hire workers at substandard conditions, or to shift to the Government the burden of training expenses that normally belong to the employer. In view of some of the occupations for which training has been undertaken, one may readily raise the question of whether or not the MDTA is being used to train individuals for vacancies for which Government funds ought not to be spent.

And what about the unemployed worker with the requisite skills in a labor market 50 miles away? Do we ignore the fact that he may be interested in the job? In other words, aren't we unnecessarily contributing to reliance on the "local" labor market concept while bemoaning this tendency on the part of others because it reduces labor mobility?

To what extent are MDTA programs infringing upon existing apprenticeship practices? Admittedly, this is a sensitive area, but we ought to discuss it rather than to deny that there is any infringement, when in fact there is.

The use of the term "pre-apprenticeship," for example, implies a future movement into an apprenticeship program, yet it is our understanding that the program administrators deny this is so. If so, why the term "pre-apprenticeship"?

Furthermore, we ought to be concerned with the possible infringement by MDTA activities on the welfare of incumbent employees. When an employer reports a vacancy in an occupation above the unskilled level, and the MDTA is used to train someone from the outside for this vacancy, should we not wonder what this means to his incumbent employees who are in the unskilled grades? Should we not try to prevail upon that employer to upgrade his incumbent employees and to give them the opportunity for advancement?

Justice for incumbent employees will not be achieved unless we dovetail the on-the-job training approach with the rest of the MDTA activities. When an employer reports a vacancy for which someone is to be trained, there should automatically be a followup to see if he has workers on his payroll who might be upgraded through an on-the-job program. And if he refuses to consider it, we ought to find out why—bearing in mind that nonwhites are heavily concentrated in the unskilled occupations.

Under the present procedures we may well be contributing to the disadvantage of incumbent employees, and also to discriminatory personnel practices.

III.

It would appear that one of the major difficulties is that MDTA activities lack a clearly defined system of priorities and objectives, and that there is a lack of cohesiveness about the program. This is, of course, a criticism that can be directed toward most of our labor market activities in the United States, but it is our hope that the MDTA could serve as an instrument in overcoming some of these other shortcomings—in other words, to develop into some sort of a model.

This will not be the case, however, if the MDTA is to be used for training simply for the sake of training, and if it is not related to problems of mobility, discrimination, existing training activities, and so forth.

No doubt much of this is due to the type of Federal-State relationship through which the program functions. This, however, is a fact of life with which we must live for the present. And it makes all the more important a clearly defined program, so that all 50 States will be moving in the same direction under vigorous and firm Federal leadership and guidance.

Perhaps the recent reorganization of manpower activities within the Labor Department is an effort to move in this direction. For this reason, the NMAC should be apprised of the details of this new reorganization so that it may evaluate the operation and administration of the training program within this new framework.

Conceptual and Statistical Issues re Unemployment and Employment

Letter to Secretary of Labor from NMAC, March 16, 1964

The Honorable W. Willard Wirtz
Secretary of Labor
Washington, D.C.

Dear Mr. Secretary:

First I want to thank you once again on behalf of the National Manpower Advisory Committee and, more particularly, on my own behalf, for the time which you spent with us on Friday last and for the very considerable stimulation which we received from your participation in our deliberations. Your having us to lunch was an added pleasure for us all.

Since you were present when the points developed during the course of our meeting were summarized—a written record will soon be available—I will limit this note to those broader issues that came up during the course of the day on which you expressed an interest in having me respond.

As regards the number of the potential employables, a proper estimate would require the following:

1. Current count of the number of unemployed.
2. Current count of the number of people on short time for economic reasons.
3. Current count of the number of agricultural workers with incomes below $1,200.
4. Current count of the number of other self-employed workers with incomes of less than $2,000.
5. Estimate of the number of men in the basic working ages, not in school or permanently disabled, not in the working force.
6. Estimate of the number of men above 65 who were forced out of the labor force.
7. Estimate of the number of women of working age who would be in the labor force if job openings in their communities were available.
8. Estimate of the number of young people (15 to 18 years) currently in school who are marking time, enrolled in programs which are adding little if anything to their knowledge or skills.
9. Estimate of the number of men and women currently classified as "permanently disabled" who might be rehabilitated for employment.

The foregoing calculations would lead to a figure of the number of potential employables under conditions of full employment in time of peace. Additional adjustments would have to be made if the aim were to calculate the maximum potential labor force in time of mobilization.

There is little point in my trying to locate the figure I quoted to the Congress some years back. I will ask my staff to reevaluate the potential numbers outlined above in light of the new factors available in the *Manpower Report of the President* and other sources.

With respect to dropouts, more education for youth, and related matters, my thinking runs something like this:

1. While it is desirable to encourage all young people who are profiting from their education to remain in school as long as possible, many drop out of school because they have ceased to profit.

2. The schools as presently constituted or even if they were altered would be unlikely in the near future to be able to provide by themselves a satisfactory environment for a significant proportion of all 15 to 18 year olds.

3. A high proportion of these youngsters have need for developmental experiences that include work, relations to adults, the ability to earn money—as well as more formal education.

4. There is a grievous danger of robbing these young people of the developmental opportunities they most need by emphasizing exclusively their remaining in school. What they most need are community programs which would offer them a combination of work and study.

As regards the prospective balance between the demand for and supply of jobs, I would sort out the conflicting trends thus:

1. There is no reason for optimism that the rate of new job creations in the latter 1960's will be significantly greater than it has been since 1954.

2. The number of young people seeking work will increase substantially, hence the outlook is not particularly favorable.

3. The long sustained economic boom, which in my opinion has been under way since 1940, is likely to slacken one of these days beyond the point of the previous post World War II recessions. If it does, we will be in serious trouble.

4. There is little prospect of the goods-producing sectors expanding employment significantly. That means that most of the expansion will have to come in the service sectors. Some of these are only now beginning to feel the impact of automation. More importantly, expansion in this sector usually involves multiple adjustments among government, nonprofit, and profit sectors, which may tend to slow expansion.

5. There is no need to be pessimistic about the prospect of the new technology leading to new products and processes; but the rate of new developments can fall far short of employing all who want and need jobs.

I hope that the foregoing adds a little clarification to the points which we discussed. I wish my conclusions were a little more optimistic.

I am following up with Under Secretary Henning and Seymour Wolfbein on appointing a panel on information and publications. We will try to push full steam ahead.

Sincerely,

[Signed]

Eli Ginzberg
Chairman
National Manpower Advisory Committee

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Background Paper on Federal Manpower Programs (Prepared by Chairman, NMAC for discussion at the 19th Meeting, March 28–29, 1968)

Introduction

1. The sixth anniversary of the passage of the Manpower Development and Training Act (MDTA) has just taken place. It is interesting to recall that in September 1962, when the National Manpower Advisory Committee assembled at the White House prior to being sworn in, they were informed by Vice President Johnson that a major if implicit objective of the new legislation was to provide training opportunities for Negroes to enable them to become employable. Later, President Kennedy stated that MDTA represented the single most important piece of manpower legislation since the passage of the Employment Act of 1946.

2. Since the Department of Labor has the responsibility for various manpower programs under the Economic Opportunity Act as well as for manpower programs funded through the Department of Health, Education, and Welfare (HEW), this paper is concerned not only with MDTA programs but also with all manpower programs currently under the jurisdiction of the Manpower Administration. Where appropriate, it will also consider how these several manpower training programs are related to programs that have manpower dimensions in the Department of Commerce, the Department of Housing and Urban Development (HUD), HEW, and the Office of Economic Opportunity (OEO).

3. This working paper deals point by point with the following:

   a. What should be the objectives of Federal manpower programs?

   b. What should be their scale and scope?

   c. How effective have the programs been to date?

   d. What have been the principal problems encountered in planning, financing, and administering these programs?

   e. How can governmental efforts be enhanced through greater involvement of the nongovernmental sector?

   f. How can the Federal manpower training programs be more effectively related to vocational education, vocational rehabilitation, model city planning, etc.?

   g. What additional Federal efforts are required to assure that the country has a comprehensive framework for an active manpower policy?

   h. What should be the role of experimentation and research so that the total Federal manpower effort can be made more relevant and effective?

   i. What other actions might contribute to strengthening the Federal manpower effort?

Discussion

4. Objectives of Federal manpower programs:

   a. While a major aim of the original MDTA legislation was to provide retraining opportunities for male heads of households who were threatened with unemployment due to technological change, the amendments of 1963 and the years following indicated that the Congress wanted to increase the employability of the more seriously handicapped members of the population, particularly members of minority groups.

   b. Legislative and administrative actions since 1963 have singled out the following groups for particular attention:

      (1) Youth.
      (2) Members of racial and ethnic minorities.
      (3) Hard to employ inhabitants of urban ghettos.
      (4) Welfare recipients.

   c. The primary objective of the major training programs has been to help the unemployed and the underemployed acquire skills to enable them to get and hold jobs in the private economy.

   d. Questions:

      (1) Should the Federal Government single out for more attention the rural population, many of whom now drift poorly prepared into the cities?

      (2) Should more attention be directed to persons over 45 years of age who are experiencing difficulties in getting and holding jobs?

      (3) Should an effort be made to distinguish among the hard to employ those who, after extended training, could be fitted into the private economy; those who will probably require sheltered employment; and those who should receive welfare funds?

5. Scale and scope of Federal manpower programs:

   a. It was not until the fiscal year ended in 1965 that MDTA hit its stride. In that year Congress appropriated slightly under $300 million for MDTA training; in the following years the annual totals have been somewhat higher, around $350 million. The total funds during the first 5½ years of this program have approximated $1.4 billion.

   b. The cumulative total of training positions authorized—institutional, on-the-job training (OJT), and part-time—is slightly over 1.1 million.

   c. In the first 5 years of the program—that is, through June 1967—about 800,000 persons had been enrolled, but fewer than 470,000 had completed training. It is estimated that about 245,000 had dropped out.

   d. In the 6 calendar years from 1962 through 1967, nonfarm payroll employment increased from 55.6 to 66.1 million, or by 10.5 million. This implies that less than 1 person entered MDTA training for every 10 persons who obtained a job; and that less than 1 completed training for every 20 who were added to the work rolls.

e. Because of the relatively slow start of MDTA and because of the introduction and expansion of closely related manpower training efforts, the present scale and scope of the Federal effort are more correctly revealed by the data for calendar 1967. In 1967, nonfarm payroll employment grew by slightly over 2 million. During these 12 months just under 500,000 persons pursued institutional, OJT, or related formal training programs such as the Job Corps. Another 435,000 participated in work-experience programs (Neighborhood Youth Corps (NYC), Community Action, etc.), and more than 40,000 received some other type of training or employment help. This means that in 1967 almost one person was enrolled in training or in work-experience programs for every two persons added to employment.

f. In the President's budget for fiscal year 1969, structured training is scheduled to be increased to about 640,000, or by roughly 30 percent, and work experience by 150,000, or by slightly more than one-third, over the preceding year.

g. Question: Does the present scale of the Federal training effort appear to be of the right order of magnitude at the present time? If not, what criteria should guide Federal planning in this matter?

6. How effective has MDTA been to date?

a. One test of the effectiveness of a training program is whether a person who completes the course gets a job, holds it, and is able to earn more than he previously earned. While there are deficiencies in the available data, a careful student of the problem, Garth L. Mangum, in *Contributions and Costs of Manpower Development and Training*, December 1967, concludes that the training has paid off. The returns have been considerably greater than the costs.

b. If the matter of new hires is disregarded, institutional training has always been almost three times more costly to the Federal Government than OJT. In 1963 the per capita Federal costs were about $940 and $350. In the intervening years the average for both almost doubled: the 1967 figures are $1,820 for institutional training and $615 for OJT.

c. The slippage between OJT training and employment is much less than in institutional training. More than 9 out of 10 men who have had OJT remain regularly employed, while the ratio for institutional training is about 3 out of 4.

d. The principal administrative thrust of MDTA in recent years has been toward increasing the proportion of the seriously disadvantaged who enter training—that is, the poorly educated, the Negro, the ghetto resident. The other emphasis has been on OJT training. Comparison of the characteristics of persons enrolled in institutional training in fiscal year 1967 with those of persons enrolled in fiscal years 1962 to 1965 reveals that:

(1) The proportion of Negroes has increased from 28 percent to 38 percent of the total.

(2) The proportion with eighth-grade or less schooling increased from 15.5 percent to 18.3 percent.

(3) The proportion of those receiving public assistance increased from 9.5 percent to 12.1 percent.

(4) The proportion who were unemployed less than 5 weeks increased from 30 percent to 36.4 percent.

These data suggest that only with respect to increasing the proportion of Negroes did the picture change appreciably in favor of the more disadvantaged.

e. The success of the Manpower Administration in increasing the emphasis on OJT is indicated by the fact that in fiscal year 1967 persons enrolled in OJT accounted for about 40 percent of all persons being trained, while in 1962 to 1965 they were less than 9 percent.

f. As to the characteristics of persons enrolled in OJT, the following changes occurred:

(1) A decrease in males from 74 percent to 67 percent.
(2) An increase in Negroes from 17.7 percent to 21.9 percent.
(3) A decrease from 66 percent to 58 percent in those who were previously unemployed.

g. There is a contradiction in the recent emphasis on OJT. It is cheaper; it is linked more closely to jobs; it is more attractive to many potential enrollees. But it is hard to place a high proportion of Negroes, particularly Negro men, in OJT, although this remains a major objective of the Federal effort.

h. Questions:

(1) Is MDTA to be considered a clear success, even though it enrolls a high proportion of women and short-term unemployed and has a dropout rate of about 30 percent?

(2) Can OJT ever serve as a major training vehicle for Negro men?

7. How effective are the related manpower programs?

a. Sar Levitan, in *Manpower Aspects of the Economic Opportunity Act*, December 1967, estimated that for fiscal year 1967 the appropriations for OEO manpower programs totaled between $800 and $900 million. Thus, these several programs received more than twice the sum allocated for MDTA training.

b. Job Corps, with an appropriation of $211 million and an average cost of almost $7,000 per person enrolled, has been a relatively small, specialized effort to provide services on a residential basis to seriously disadvantaged youth. In November 1967, about 40,000 were enrolled—three men to each woman. However, only 22 percent completed training, although this proportion has been rising. A further recent weakness has been job placement at the completion of training. Only 2 out of 3 who completed training were employed (sample study, 1967). Critics also question whether urban youth should be trained at residential centers in a nonurban environment. The Congress is presently critical, and a number of centers are being closed down.

c. The largest of the manpower programs under the Economic Opportunity Act in terms of money and participants is the Neighborhood Youth Corps (NYC)—in school, out of school, and summer. In fiscal year 1967, Congress authorized $372 million for NYC, with the largest sum ($160 million) for out-of-school programs, $133 million for summer programs, $68 million for in-school programs, and $11 million for other training. By November 1967, a total of almost 1.3 million youth had participated in NYC, about 500,000 in summer programs and approximately 400,000 each in in-school and out-of-school programs. In fiscal year 1968, more than 300,000 will participate, and the President's budget recommends an increase to 470,000 positions next year.

d. The in-school program is an effort to provide earnings for part-time work for youth from low-income families to encourage them to remain in school. The available evidence suggests that

this primary aim is being accomplished. The out-of-school program also provides funds for youth from low-income homes and seeks to provide them with work experience. The weight of the scattered information suggests that at best the results are modest. The objective of the summer program is to pay poor youngsters for constructive work and thus to discourage them from engaging in delinquent acts and rioting. The work experience that they gain appears to be relatively modest. The linkages between NYC and Job Corps and between NYC and MDTA are weak with regard to both the allocation of participants among these programs and the moving of young people from one program to another.

e. In fiscal year 1967, Congress appropriated $100 million for work experience and training for individuals on welfare. It is estimated that in fiscal year 1968 about 125,000 persons will participate in community work-experience programs. While some of these programs have provided a stimulus to welfare clients to renew their ties with work and prepare for private employment, it is doubtful that many of the programs contributed much in the way of skill training. One out of every two clients remains on welfare after terminating training. The amendments to the Social Security Act in December 1967, which provide a monetary incentive for relief clients to work and which enable the government to use relief funds to subsidize the wages of relief clients who are employed in the not-for-profit sector, may give a significantly new cast to this program.

f. There are several small programs—Operation Mainstream, which is a work-relief program for rural areas; Community Action jobs, which serve much the same purpose in urban ghettos; and New Careers, which is a modest effort (about 10,000 persons enrolled) aimed at developing new occupational opportunities in professional fields for people with little formal education.

g. Questions:

(1) Of these several programs, which have the best records of performance and should be continued and possibly expanded? Which whould be cut back or eliminated?

(2) Should NYC for out-of-school youth be terminated and opportunities provided for these youngsters under MDTA?

8. What have been the principal problems encountered in planning, financing, and administering manpower training programs?

a. Congress has authorized funds for manpower training programs through discrete pieces of legislation, and primary responsibility has been allocated to different Federal departments and agencies. Recently, through delegation, basic responsibility for these programs has been centered in the Department of Labor's Manpower Administration.

b. The funding of MDTA and the other programs has been on a year-to-year basis. This has severely handicapped those in charge of programs in recruiting and retaining staff, in enrolling preferred participants, and in dovetailing training efforts with the local job market. Their lead time has been too short and their budgetary uncertainties too great. Among the consequences have been unused capacity at many skill-training centers, instability of staff with consequent weaknesses in instruction, and periodic scrambling to fill quotas.

c. The States and localities have stated that they could make better use of Federal funds if they had the freedom to plan ahead and if they were more directly involved in allocating limited funds among competing demands. The Cooperative Area Manpower Planning System (CAMPS), initiated in 1967 and with a current budgetary request of $11 million, is the major new instrument aimed at

coping more effectively with the planning problem at the local level. The major thrust of CAMPS is to bring together at the local level representatives of all manpower and manpower-related groups and agencies, governmental and nongovernmental, including those connected with employment services, poverty, vocational education, welfare, health, vocational rehabilitation, economic development, and model cities, to assess priority manpower problems and to program priority training projects to meet them. The large number of different groups involved and the lack of staff personnel, which we hope will be eased, are major drawbacks. But the most important limitation on local planning is the lack of "free" Federal funds for each group to allocate according to its own priorities.

d. Since the acceleration in Federal manpower programing dates from 1965, the Nation has had only 3 years of experience in trying to deal effectively with a long-neglected problem—helping the hard to employ find and keep jobs. Initial difficulties on the planning-administrative front were inevitable once Congress determined on an ad hoc pattern of legislation. The critical challenge now is how best to bring some reasonable degree of order into the present, still largely chaotic situation.

e. Since the Federal programs have been increasingly directed toward helping the disadvantaged, and since these include large numbers of Negroes, the Federal Government has faced the additional challenge of encouraging States and localities with deep-seated racial animosities to take constructive action on behalf of minority groups.

f. The provision of training and employment services at the local level has proved difficult from the start. The Department of Labor has sought to encourage the Employment Service to see as one of its principal tasks the provision of services to the hard to employ and to undertake such new functions as outreach, referral to supportive services, counseling before and after training and placement, and other related activities. While the reorientation and restructuring of the Employment Service has been difficult, considerable progress has been made. Problems remain, however, particularly in the strengthening of staff.

g. At present, the delivery of manpower services is being pushed through a new systems approach—the Concentrated Employment Program (CEP)—which was established in fiscal year 1967 and was targeted on slum populations in 20 urban and two rural areas. By the end of 1967, 51,000 persons had been screened, and 34,000 had received some type of service: 17 percent, basic education; 10 percent, MDTA training; 12 percent, Neighborhood Youth Corps; 15 percent, New Careers or Special Impact; and 22 percent, placement in jobs. At year's end, 14,000 were enrolled, and 15,500 were awaiting placement on a project or in a job. CEP is being expanded to include 64 cities and 12 rural areas in fiscal year 1968, and the 1969 budget proposes further expansion to a total of 146 areas, 35 of which will be rural.

CEP is an administrative device to take funds from different programs and to provide a range of services to meet the needs of disadvantaged populations. The 1969 budget contemplates using about $500 million for CEP. Preliminary field reports disclose a range of difficulties: Lack of time to plan and technical assistance to help establish a sound organizational structure; tensions between various interest groups that must cooperate if the program is to succeed; shortages of skilled personnel; limited involvement of the private sector; and slippage between training programs and jobs. Reports for the first 34,000 persons enrolled show that 84 percent were Negro, which indicates that the aim to involve the slum population was successful. Less satisfactory was the finding that 53 percent were female, and in several large cities the proportion was much higher.

h. Questions:

(1) What changes should the Congress be encouraged to make with regard to the sources and timing of appropriations for manpower training that might contribute to greater efficiency in the use of the Federal dollar?

(2) How can the Manpower Administration improve efficiency at the local level?

9. How can governmental efforts be enhanced through greater involvement of nongovernmental groups?

a. The initial assumption of MDTA was that, if men undergo training, they will be able to find and hold jobs in the private economy. Therefore, except for the local advisory committees, which were dominated by Government officials (Employment Service and Vocational Education), public officials went their own way in implementing the act.

b. The slow growth of OJT reflected, in part, the difficulties of getting Government officials to recognize that effective manpower programs for the disadvantaged should involve nongovernmental groups, particularly employers. As experience was gained in dealing with the disadvantaged in Chicago and elsewhere, it became clear that for certain alienated groups the linkage between training and jobs had to be close if these people were to be brought into the job market. Employer cooperation was essential to the modest success of Jobs Now in Chicago.

c. OEO provided the stimulus for the large-scale participation of nongovernmental groups through encouraging the establishment of Community Action Programs. However, these programs had little interest initially in manpower.

d. The negotiation of national contracts for large-scale training under MDTA brought certain employer groups into more direct relations with the Federal Government. In fiscal years 1964 and 1965 only 9,000 training opportunities were provided through such contracts, but in fiscal years 1966 and 1967 they were at the level of 28,000. In the first half of the 1968 fiscal year, they were slightly less—about 12,000. This approach has fallen into disfavor because of the difficulties that many national contractors had in filling their authorized training slots on time.

e. Another spur to involve business came through the contract approach used by OEO with respect to the management of various Job Corps Centers, whereby various industrial corporations took over responsibility for setting up and running a center.

f. Until recently, leading employer organizations had not sought to encourage their membership to participate actively in the new national training efforts.

g. Provision had been made in MDTA for referrals to private schools of eligible persons who could profit from such opportunities, but bureaucratic desires to fill the approved Federal programs and uneasiness about the reliability of many private schools led to modest implementation of this provision despite periodic prodding by the Congress and the National Manpower Advisory Committee. In fiscal year 1967 individual referrals accounted for slightly more than 5,000 of the more than 132,000 institutional training positions authorized. Only Pennsylvania made substantial use of this device and accounted for more than one-quarter of the national total of such placements. Individual referral has been used primarily for whites with higher than average education.

h. Another factor operating to slow participation of business has been the disinclination of the Congress to pass any tax incentive scheme for training. While Government funds have been

available and have been used to reimburse employers for the added costs of hiring the hard to employ for OJT, many businessmen have been disinclined to participate, even when they desired to expand their work force. A revised approach to increased training through the tax route involving referrals of designated hard-core people won the approval of the Kerner Commission.

i. Another road that might have led to the great involvement of business in job-creation efforts was closed by the strong opposition of the labor movement to using tax monies to subsidize the wages of handicapped workers in private industry. Hence the New Careers and the new Work Incentive programs are limited to employers in the not-for-profit sector.

j. With some notable exceptions (Chicago and Los Angeles, for example) employer groups until recently deliberately avoided getting close to governmental manpower programs. Various advisory groups to the Federal Government reached the conclusion, however, that more active involvement of the business sector was essential if these manpower programs were to succeed. It appears now that business can make two major contributions: It can innovate in training the hard to employ, and it can provide jobs for them once they have been trained.

k. The President recently announced the new Job Opportunities in the Business Sector (JOBS) Program. The Federal Government contemplates spending about $250 million in fiscal year 1969 with the aim of getting 100,000 of the hard-core unemployed back to work by June 1969 in 50 of the Nation's largest cities. The employer finds and hires the disadvantaged, trains them, and then provides them with regular jobs. The Government's financial aid will be used to underwrite the extra costs involved in preparing these disadvantaged people for private employment. In a test program the average cost was about $2,300 per man. The JOBS approach will serve as the OJT for CEP.

Several dangers loom ahead: We have noted the difficulties that various CEP projects have had to date in attracting males. And it will not be easy for Government to distinguish between the people whom industry might have hired on its own and those who are being hired under the terms of liberal reimbursement for special services. The amount of money to be spent and its allocation between the employer and the employee also warrant concern.

l. The bloody riots of the summer of 1967 and the formation of the Urban Coalition thereafter, with the rapid proliferation of local chapters, have created a much more encouraging background for future Government-business cooperation. A great many businessmen are responding for the first time, realizing that, unless business plays an active role in solving the urban minority crisis, no governmental efforts have much prospect of success.

m. Questions:

(1) Does the National Manpower Advisory Committee want to reopen consideration of the merits of the tax approach to increasing training for the hard to employ?

(2) What can the Federal Government do to encourage the more active participation of business in CEP and other programs?

(3) Would it be desirable to launch an effort to persuade unions that they have little to fear with regard to displacement if Government funds are used to subsidize the handicapped?

10. How can Federal Manpower training programs be more effectively related to vocational education, vocational rehabilitation, Model City planning, etc.?

    a. If the educational system performed its tasks effectively, there would be much less need for MDTA and the other remedial training programs. But the difficulties of getting the educational system to perform effectively, especially in ghetto areas, are well known. Still, it would be unwise to push ahead with more and more remedial programs for adolescents and adults without considering the ways in which a strengthening of the basic educational structure can and must provide long-term cures.

    b. An especially weak reed in the educational structure has been vocational education. Congress recognized this fact in its 1963 legislation aimed at increasing the participation of the Federal Government in financing vocational education and in increasing the job market relevance of the several programs. A recent Advisory Committee Report to the Secretary of HEW recommends a substantial increase in Federal financing—roughly fivefold—to a level of $1.6 billion annually. This figure almost equals the total training programs this year under the supervision of the Manpower Administration of the Department of Labor.

    c. In fiscal year 1966 over 150,000 persons were rehabilitated through funds of the Vocational Rehabilitation Administration (75 percent Federal and 25 percent State) and the vast majority of them (over 120,000) were employed at the time their cases were closed. According to a study of vocational rehabilitation by Mangum and Glenn,[1] a high proportion of this group was from low-income families. Although amendments to the Vocational Rehabilitation Act have broadened its scope to deal not only with the physically and emotionally handicapped, but also with those suffering from social and cultural disabilities, the funds available are unlikely to permit this program to dip down into the culturally deprived, since there is still a substantial backlog of persons with physical and emotional handicaps awaiting rehabilitation. The major strength of this program has been the development of an individual plan for each client. Evaluation and counseling are key elements in the design of a specially tailored approach to make each client self-supporting.

    d. At the end of 1967, 63 cities were awarded grants to plan Model Cities Programs. Cities receiving awards must provide evidence of their ability to reduce substantially unemployment and underemployment through training and work opportunities for slum residents. This new effort must be coordinated with the many other local efforts aimed at training and employing the hard-core. Related to the Model Cities effort is the program to establish Neighborhood Service Centers in 14 major cities, which will seek to provide comprehensive services to the resident population. Each center aims to serve a population of about 50,000. They have been located in predominantly Negro neighborhoods. The pilot funds total about $24 million.

    e. Question: How should Federal training programs be related in scale and scope to Federal support for basic and vocational education, vocational rehabilitation, and similar programs?

11. What additional Federal efforts are required to assure that the Government has a comprehensive framework for an active manpower policy?

    a. The major efforts over the last 6 years have included the establishment and expansion of a host of training programs, primarily for the urban poor; some strengthening of vocational education; the transformation of the Employment Service to focus on the hard to employ; and the availability of some supportive services, such as mobility allowances and medical screening and assistance.

[1] Garth L. Mangum and Lowell M. Glenn, *Vocational Rehabilitation and Federal Manpower Policy* (Ann Arbor, Mich.: University of Michigan—Wayne State University, Institute of Labor and Industrial Relations, November 1967), Policy Paper No. 4.

b. The President's National Advisory Commission on Rural Poverty (1967) made a strong plea for the establishment of a comprehensive system of public service employment so that the rural unemployed and underemployed would have an opportunity to obtain jobs (at minimum wages), improve their conditions of life, and avoid flooding the cities, where many have to be maintained by public funds. At its 1967 session the Senate came close to passing the Clark-Prouty Amendment, which sought to establish approximately 1 million public service jobs in the major urban centers. The Commission on Civil Disorders is in favor of this approach.

c. So far, public policy has balked at establishing the Government as an employer of last resort. With so many people who are interested in working out of the job market, with others unemployed or underemployed, and with still others earning less than a minimum wage, the opponents of a large public job program fear that the Government would soon be far beyond its depth in implementing such a program and that the job market would be seriously unsettled. The Administration is hoping that, with heavy business involvement in programs to help the hard to employ, a new version of WPA can be avoided.

d. Several years ago Congress made some small funds available for experimental programs aimed at facilitating the mobility of unemployed and underemployed workers from areas with limited employment opportunities to areas with a strong demand for labor. Over 6,000 persons have been relocated under these programs involving about 30 cities.

e. Except for lowering the age of retirement to 62 with reduced benefits and the recent amendments to the Social Security Act relating to the Work Incentive Program, Congress has been loath to consider the interrelations between its emerging manpower programs and the welfare system. Recent interest in the negative income tax and in other forms of income transfer (children's allowances, etc.) suggests that even the most successful manpower policy will be unable to prepare all persons for profitable employment till they reach retirement age. The interrelations among gainful employment in the private sector, new programs of public employment, Government subsidies for handicapped workers in the nongovernmental sector, and welfare programs must be appraised to assure that major incentives are reenforcing priority social goals.

f. The Federal Government has failed to develop mechanisms for correlating manpower with fiscal and monetary policy so that the impacts of major changes in the level of business activity, present and prospective, on employment can be considered and actions taken to moderate them. In our preoccupation with improving opportunities for the hard to employ, we may be neglecting to build appropriate machinery for a comprehensive manpower policy.

g. Questions:

(1) Is a public employment program an essential part of a national manpower policy or can we continue to rely solely on training efforts and subsidies to private and nonprofit employers?

(2) How can the expanded manpower programs and the costly welfare structure be more closely integrated?

(3) Should the Administration elaborate a more solid basis for a comprehensive manpower policy?

12. What should be the role of experimentation and research?

a. During the past year Congress has made about $15 million available for experimental and demonstration (E&D) projects. These monies have been under the direct control of the

Department of Labor. While no comprehensive assessment has been made of the projects that have been in operation for some time or have been completed, appraisals have been made of individual projects. The findings are mixed. The availability of E&D money permitted the funding of worthwhile projects which otherwise could not have been launched. The evaluation aspects of these projects have frequently been neglected because of lack of time and available specialized personnel; and there has been, accordingly, less than desirable dissemination of worthwhile results.

b. It has been difficult to take the structure and operating mechanism of a presumably successful E&D project and replicate it elsewhere. Frequently, the success of the original undertaking reflected special factors in the local environment, particularly a key person.

c. The most replicated E&D project partially supported by the Department of Labor funds has been the Opportunities Industrialization Centers (OIC), originally conceived by Rev. Leon Sullivan in Philadelphia largely as a Negro self-help venture. At latest count there are some 60 such centers, and about 25 are funded by the Federal Government (Labor, HEW, and OEO). The key elements are improvement in morale and pride among those enrolled and the involvement of local business in helping to structure the training program with concomitant promises to hire the successful graduates. A successful program requires a good relationship between the head of the center and the local business community.

d. Title I of the MDTA provided permanent authority for the Department of Labor to pursue research in the area of manpower that could contribute to furthering the purposes of the act. Relatively modest sums have been appropriated by the Congress for manpower research (about $3.5 million annually). A major effort to expand the program was approved some years ago by the Bureau of the Budget but failed to gain congressional support. Congress has made much larger sums available to the Office of Education for research in vocational education. Steady progress has been made during the past few years in developing closer liaison among the several Federal agencies that have funds for manpower research.

e. The scale of the research effort is related to the critical issue of expanding the number of manpower specialists, who have been in particularly short supply. One of the great successes of the Department of Labor's modest research effort has been through a small-grant program which provides funding for the writing of dissertations in the manpower field. These funds, together with contract money, have helped to place the field of manpower in a more prominent position in many universities and have helped to attract and retain personnel in this burgeoning field.

f. Questions:

(1) Should the E&D programs be expanded, cut back, or phased out?

(2) Would it be desirable for the Department of Labor to reopen with Congress at an opportune time the desirability of a substantial expansion of its research program, particularly with an aim of activating a number of regional manpower centers with substantial funding?

13. What other actions might lead to a strengthening of the Federal manpower effort?

a. There have been periodic suggestions by experts in and out of Government that it would be desirable to establish a new Department of Education and Manpower. The proponents believe that only through such action will it be possible for the Federal Government to provide leadership in the field and to avoid duplication of effort.

b. The President has emphasized the necessity of strengthening the Manpower Administration in the Department of Labor as the best way of providing more leadership to and extracting greater

efficiency from the $2.1 billion Federal manpower effort. His budget requests 621 new staff positions. One of the questions that arises is from where the Department can hope to attract so large a number of specialists within a short period of time.

c. There have been discussions of the desirability of the Department of Labor's establishing a major training institute to provide initial and upgrading training opportunities for its own employees as well as for many State and local officials engaged in manpower work. While the Department now operates many separate training programs, they are more or less ad hoc and are not on a scale contemplated by the advocates of a training institute.

d. A task force, under the chairmanship of Dr. Vivian Henderson and composed of persons nominated by the Secretaries of Commerce and Labor, is currently concerned with delineating a framework for a national training policy in which the new and vastly expanded efforts of the Federal Government could be more effectively dovetailed with the present and prospective efforts of the private sector. The United Kingdom has resorted to the taxing power to assure that the private sector devotes adequate funds to training.

e. While reference has been made to the reorientation and restructuring of the Employment Service, many difficulties remain in getting it to perform at a consistently high level. The problem is compounded by the conviction of many State and local officers that it would be an error to restrict their activities to the hard to employ.

f. After a slow start, the Department of Labor has moved ahead to aline and strengthen its regional structure. It looks forward to decentralizing many manpower decisions. However, many difficult problems remain in determining the proper role and functions of a regional establishment, given the strong centers of Federal, State and local activity.

g. Questions:

(1) Would it be desirable to push at this time for a new Department of Education and Manpower?

(2) What additional steps might be taken to make the Employment Service a more effective instrument for manpower programing and operations?

(3) How can the regional structure be made to serve as a more effective link between national and local programing?

Open Questions

14. During the last 6 years the country has become more aware of the range of problems involved in finding profitable employment for the hard to employ. However, the answers to many important questions are not yet in:

a. Why do some young people who have been in NYC (out of school) or Job Corps get and hold jobs while others do not?

b. What proportion of those enrolled in MDTA programs, especially women, would have been absorbed into employment without much difficulty in any case?

c. To what extent are the MDTA enrollees with less than 5 weeks' unemployment regular or marginal members of the labor force?

d. What are the barriers to increasing the number of Negro males in CEP?

e. What remedial steps should be taken to make more effective use of the skill centers which are operating at about 50-percent capacity?

Alternative Approaches

15. The thrust of the Federal effort to date has been the establishment of discrete manpower training and work-experience programs. Income transfers may account for about two-thirds of the total cost. This means that in fiscal year 1969 the training component, per se, will be about $700 million. What are the relative virtues of:

a. Continuing to go the route of special programs such as CEP and JOBS?

b. Would there be merit in taking the available funds and allocating them for programing at the local level among a specific number of localities (primarily large cities) with larger numbers of hard to employ?

c. Should the available money be converted into a training right (like the GI Bill) for designated individuals who would be free to spend it in any approved way?

d. Should the money be converted into subsidies for nonprofit, and possibly private, employers who are willing to provide employment for designated individuals?

e. Should the funds be used to encourage the establishment and expansion of sheltered workshops?

f. Should the funds be used to create jobs on Government account so that hard to employ people have the opportunity to work?

Letter to President-Elect Richard M. Nixon
(From NMAC, November 25, 1968)

President-Elect Richard M. Nixon
Hotel Pierre
61st Street and Fifth Avenue
New York, New York 10021

My dear Mr. President-Elect:

The National Manpower Advisory Committee was established by Congress in 1962 to advise the Secretaries of Labor and Health, Education, and Welfare on the operations of the Manpower Development and Training Act. We feel that it would be helpful if we share with you our evaluation of Federal manpower programs and our recommendations for the directions for future policy.

The Committee has been impressed with the national recognition of the potential of effective manpower programing to contribute to economic growth and personal well-being. We have recognized the inevitability during a formative period of improvisation both in the Federal Government and in the field, but we feel strongly that in the years ahead a much higher return on the taxpayer's dollar can be achieved by improved organization and administration.

We hope that your Administration will press strongly for the further strengthening of the Department of Labor's Manpower Administration so that more responsibility can be safely delegated to the field where much of the decisionmaking should take place. We also urge that an effort be made to persuade Congress that manpower dollars will be more effectively used if more stability in financing can be achieved by following the practice in National Institute of Mental Health training programs which allow a year's lead time.

While we applaud the efforts currently under way to encourage business to cooperate with Government in manpower programing, we believe that the present momentum may be lost unless the President assumes the leadership in this effort. However, we advise caution in trying to "buy" business cooperation by agreeing to liberal tax subsidies for training. This could prove costly to the treasury without corresponding gains for the unemployed and underemployed.

The priority policy actions which we respectfully recommend for your consideration are:

1. To broaden the focus in manpower programing from the hard to employ to the larger numbers of those currently employed who could benefit from upgrading;

2. To explore the range of Federal action that might assure those now underemployed sufficient income to lift their families out of poverty;

3. To increase knowledge about and access to labor market information;

4. To focus more on rural poverty, which is the source of many urban problems;

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5. To enlarge the role of the Federal Government in direct job creation for those who desire to work but are unable to find jobs through no fault of their own;

6. To fund these several programs at a significantly higher level than in the past so that more of the 11 million potential eligibles will have an opportunity to get and hold a productive job which will enable them to support their families through their own efforts.

We look forward to working with the members of your staff who will have responsibility for manpower policy and programs. You can be assured that we will do all in our power to be of help to your Administration.

I am attaching for your information a list of the membership of the Committee.

Sincerely,

[Signed]

Eli Ginzberg
Chairman, National Manpower Advisory Committee

Enclosure

Membership of the National Manpower Advisory Committee

I. W. Abel, President, United Steel Workers of America, AFL-CIO

C. E. Bishop, Vice President, University of North Carolina

Ralph E. Boynton, Vice President, Bank of America, San Francisco

Lowell A. Burkett, Executive Director, American Vocational Association

William G. Caples, President, Kenyon College, Gambier, Ohio, recently retired Vice President, Inland Steel Corporation

Dorothy I. Height, National President, National Council of Negro Women

Vivian W. Henderson, President, Clark College, Atlanta

Howard W. Johnson, President, Massachusetts Institute of Technology

John H. Lyons, General President, International Association of Bridge Structural and Ornamental Iron Workers, AFL-CIO

Eli Ginzberg, Director, Conservation of Human Resources, Columbia University, *Chairman*

2. NMAC STRUCTURE AND OPERATION

This appendix summarizes the key facts about the organization and operation of the National Manpower Advisory Committee during the first decade of its existence. An understanding of how the NMAC carries on its work should help to clarify some of its findings and recommendations presented earlier.

Name and Membership

The Manpower Development and Training Act specified that there be established an advisory committee to assist the Secretary of Labor and that it be composed of 10 persons representing management, labor, education, training, agriculture, and the public. After its appointment, one of the labor representatives recommended to Secretary of Labor W. Willard Wirtz that the committee be called the National Advisory Committee for the Manpower Development and Training Act, thus indicating his desire to restrict the work of the Committee to programs specifically authorized by the act. However, the Director of the Office of Manpower, Automation, and Training in the Department of Labor, Dr. Seymour Wolfbein, and the Chairman Designate of the NMAC prevailed on the Secretary to use the broader and less awkward designation. They recognized the desirability that the newly formed committee be able potentially to concern itself with manpower activities of the Department of Labor beyond those specifically authorized under the MDTA.

It was unusual for Congress to specify that 10 members be chosen from six groups, but two factors made it possible to make these appointments without loss of flexibility. Secretary Wirtz did not agree with the advice of the business and labor leaders with whom he had initially consulted to allocate three positions to each sector, but decided to appoint two from each. Moreover, many appointees could fit into one or more of the specified groups, thereby allowing the Secretary more scope for fitting in his preferred nominees.

The NMAC has always had one or more members from minority groups and has usually had a woman member. The initial appointments to the Committee did not carry a termination date, but starting in 1965 a formal system of rotation was decided upon; members were appointed for 2-year terms, subject to reappointment. Appendix III has a complete listing of all past and present members of the NMAC with their terms of service.

In 1971, the Department of Labor decided that the work of the NMAC could be facilitated through more intimate relations with the Interstate Conference of Employment Security Administrators, the National Alliance of Businessmen, the National Advisory Council on Vocational Education, and the American Vocational Association. Senior officials of these organizations were therefore invited to serve as ex officio members of the NMAC.

Scheduling and Structure

In its early years, the NMAC met for 2-day meetings at least twice a year, as stipulated in the act. It then decided to move to single-day meetings but to meet more frequently and in 1965 it adopted a schedule that it has since maintained; it met quarterly in September, December, March, and June for a single day. The only exception was in March 1968, when the Committee spent 2 days in a comprehensive review of the first 6 years of the program.

In recent years, the chairmen of the regional advisory committees (Appendix III, 3) have met at least twice a year during the afternoon preceding the quarterly meeting of the NMAC. At their meetings, the chairmen reviewed matters of mutual concern and also identified issues to bring to the attention of the National Committee for information or action.

At the initial meeting of the NMAC in September 1962, three subcommittees were appointed; one on training, one on research, and one on community relations. The Subcommittee on Community Relations was disbanded within a short time because the Department of Labor preferred to use its established channels for communicating with the public about the manpower programs. The Training Subcommittee, under the long-term chairmanship of Mr. William G. Caples, and the Research Subcommittee, under the chairmanship first of Dr. William H. Nicholls, then of Professor Richard A. Lester, and later of Professor William F. Whyte, who now heads the committee, have played critically important roles not only in the work of the NMAC but as direct advisors to the Department of Labor.

Between 1963 and 1967 the NMAC benefited from the help of a Panel on Counseling and Selection under the chairmanship of Professor C. Gilbert Wrenn.

In 1971, the Secretary of Labor acted favorably on a longstanding recommendation of the NMAC that a Subcommittee on Professional, Scientific and Technical Manpower be appointed. This subcommittee, under the chairmanship of Dr. Allan M. Cartter, unlike the other subcommittees, is composed of representatives from both within Government and the principal nongovernmental organizations.

At its second meeting in December 1962, the NMAC, realizing that it could not oversee and appraise a

large-scale and diversified national training program without reliable information flowing from and to the field, recommended the establishment of regional advisory committees. Secretary Wirtz, however, questioned the usefulness of advisory committees. Nevertheless, in 1964, he agreed to the establishment of a regional committee on the west coast on an experimental basis and in 1965, the recommendation of the NMAC to establish a nationwide network of regional advisory committees was implemented. Currently, there are 10 regional advisory committees, the membership of which parallels that of the parent committee.

Each regional committee has a part-time consultant, usually an academic expert located in the region, who assists the chairman in the preparation of background papers and the structuring of the agenda, and serves as liaison with Government and nongovernmental organizations. As part of the recent efforts of the Department of Labor to speed the decentralization of manpower programing, which led to the appointment of Regional Manpower Administrators, the regional manpower advisory committees now look to the RMA's for guidance and support. However, in addition to reporting to the RMA and the Regional Directors of HEW, the regional manpower advisory committees, as associated bodies of the NMAC, forward their findings and recommendations to Washington.

The regional advisory committees meet two or three times a year, usually for 2 days, and usually at a different State capital, which enables each committee to become better acquainted with the problems of the several States within its region. It is customary for the chairmen of State advisory committees to attend the regional advisory committee meetings, which improves the linkages among the several levels of the advisory structure. Representatives of key Federal and State governmental agencies with manpower interests also attend.

NMAC Secretariat

The scheduling, preparation, review, and followup of the meetings of the NMAC, together with the meetings of its subcommittees and support for the regional advisory committee structure has been carried out in an exemplary fashion from the start by Robert R. Behlow, the Executive Secretary of NMAC who serves as the head of the secretariat. The principal functions of the secretariat include liaison with the chairman on the development of the agenda; selection of specialists in and out of Government to prepare background papers for the agenda; selection of key documents for distribution to committee members; logistical arrangements; the preparation of minutes; followup of open issues.

Operations of NMAC

The NMAC had a propitious beginning in that, through administrative arrangements, it was invited to serve in an advisory capacity to the Secretary of Health, Education, and Welfare, as well as to the Secretary of Labor. As time went on, the NMAC invited to participate in its deliberations representatives from other Federal agencies with manpower interests and responsibilities, including the Office of Economic Opportunity; the Departments of Defense, Agriculture, Commerce, and Housing and Urban Development; the Office of Management and Budget; and the Council of Economic Advisers. Thus the NMAC was able to be one or two steps ahead of the legislative and executive branches in exploring the interrelations among various legislative programs and administrative agencies involved in the formulation of manpower policy and in the provision of manpower services.

The important operational facts about the NMAC are that, by arrangement with the Department of Labor, the selection of agenda items is a cooperative undertaking; background papers are prepared on all agenda items and the presentor generally uses no more than 20 minutes to highlight the points for discussion; a limited number of senior staff are present to serve as resource personnel; the Assistant Secretary of Labor for Manpower and senior members of his staff are present throughout the meeting as are senior officials of HEW; the Secretary of Labor is present toward the end of the meeting and he is briefed about the key points in the day's discussion, on which he may invite additional discussion by the Committee (in the entire history of the Committee the Chairman felt it necessary to take a formal vote only once); the consensus arising out of the Committee's discussions is drafted by the Chairman and transmitted to the Secretaries of Labor and HEW within a week after each meeting; the Departments respond in writing to the Committee's recommendations about the actions taken or the reasons for nonaction prior to the next meeting.

In the first decade of its existence, the NMAC has served three Secretaries of Labor and five Secretaries of HEW. During these 10 years, the manpower expenditures of the Federal Government have increased from under $400 million to over $4 billion annually. The NMAC has sought to modify its structure and working methods in order to meet more effectively its advisory responsibilities for this greatly enlarged and much more sophisticated manpower program.

3. MEMBERS AND TERMS OF APPOINTMENT

National Manpower Advisory Committee

March 15, 1972

DR. ELI GINZBERG, CHAIRMAN — 1962 -
Director
Conservation of Human Resources
Columbia University
New York, N.Y. 10027

MRS. CERNORIA D. JOHNSON — 1971 -
Director of the Washington Bureau
National Urban League, Inc.
Suite 515
425 Thirteenth Street, NW.
Washington, D.C. 20004

MISS ANTONIA PANTOJA — 1971 -
Executive Director
Puerto Rican Research and
Resources Center
1519 Connecticut Avenue, NW.
Washington, D.C. 20036

MR. HARVEY C. RUSSELL — 1971 -
Vice President - Community Affairs
Pepsico, Inc.
Anderson Hill Road
Purchase, N.Y. 10577

DR. HOWARD S. KALTENBORN — 1971 -
Vice President - Personnel and
Public Affairs
Westinghouse Electric Corporation
Gateway Center
Pittsburgh, Pa. 15222

MR. JOHN H. LYONS — 1966 - 69; 1970 -
General President
International Association of Bridge,
Structural and Ornamental Iron
Workers, AFL-CIO
3615 Olive Street
St. Louis, Mo. 63108

MR. HOWARD D. SAMUEL — 1969 -
Vice President
Amalgamated Clothing Workers of
America, AFL-CIO
15 Union Square
New York, N.Y. 10003

DR. DALE E. HATHAWAY — 1970 -
Chairman
Department of Agricultural Economics
Michigan State University
East Lansing, Mich. 48823

DR. LLOYD ULMAN — 1970 -
Director
Institute of Industrial Relations
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Chicago Public Schools
Chicago, Ill.

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St. Joseph's Mission
Hereford, Tex.

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Professor of Agricultural Economics
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W. R. Grace and Company
New York, N.Y.

Mr. M. D. Mobley Executive Secretary American Vocational Association, Inc. Washington, D.C.	1962 - 66
Dr. William H. Nicholls Professor of Economics Vanderbilt University Nashville, Tenn.	1962 - 63
Mr. Peter T. Schoemann President United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada, AFL-CIO Washington, D.C.	1962 - 66
Rev. Louis J. Twomey, S. J. Director Institute of Human Relations Loyola University New Orleans, La.	1965 - 67
Dr. William B. Walker Vice President Personnel-Business Products Group Xerox Corporation Rochester, N.Y.	1970 - 71

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Dr. Richard A. Lester Associate Dean Woodrow Wilson School of Public and International Affairs Princeton University Princeton, N.J.	1963 - 68

Panel on Counseling and Selection

Dr. C. Gilbert Wrenn Professor of Education Psychology Arizona State University Tempe, Ariz.	1963 - 67

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Salt Lake City, Utah

Dr. R. Thayne Robson — 1968 - 69
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University of Utah
Salt Lake City, Utah

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Bowdoin College
Burnswick, Maine

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Northeastern Regional Manpower Advisory Committee[1]

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Southwestern Regional Manpower Advisory Committee

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University of Texas
Austin, Tex.

Dr. Roy W. Dugger — 1967 - 69
Vice President
Texas A & M University
James Connally Technical Institute
Waco, Tex.

[1] Regional Manpower Advisory Committees which have been superseded.

4. DATES OF MEETINGS

Meeting number	*Dates*	
1.	September 27 - 28,	1962
2.	December 12 - 13,	1962
3.	May 16 - 17,	1963
4.	Nov. 22, Dec. 19,	1963
5.	March 13,	1964
6.	September 25,	1964
7.	April 2,	1965
8.	June 23,	1965
9.	October 1,	1965
10.	January 7,	1966
11.	March 25,	1966
12.	June 24,	1966
13.	September 30,	1966
14.	December 16,	1966
15.	March 17,	1967
16.	June 23,	1967
17.	September 29,	1967
18.	December 15,	1967
19.	March 28 - 29,	1968
20.	June 21,	1968
21.	September 27,	1968
22.	December 13,	1968
23.	March 28,	1969
24.	June 20,	1969
25.	September 26,	1969
26.	June 19,	1970
27.	October 16,	1970
28.	December 28,	1970
29.	March 19,	1971
30.	June 18,	1971
31.	September 17,	1971
32.	December 10,	1971

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